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5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

Niger Delta University, (NDU), Bayelsa State, Nigeria

CONFERENCE PROCEEDINGS

Theme: Addressing the Challenges of
Leadership and Development in Africa

6th - 7th September, 2023

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5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

THEME

Addressing the Challenges of Leadership and Development in Africa

DATE: Wednesday 6th – Thursday 7th September, 2023

TIME: 10:00am

VENUE: Faculty of the Social Sciences Board Room, Niger Delta University, Wilberforce Island
Bayelsa State - Nigeria

CONFERENCE LOC:

Dr. Wisdom Selekekeme Krokeyi

Dept. of Economics,
Niger Delta University, Bayelsa State (+234 8036777252)

Dr. (Mrs.) Kuroakegha Bio Basuo

Dept. of Management
Niger Delta University, Bayelsa State (+234 8036715870)

CHIEF HOST

Prof. Allen Aziba-Odumomsig Agih

Vice Chancellor,
Niger Delta University, Bayelsa

CONFERENCE PANEL

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Bodo Graduate School of Business, Norway

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Chukwuemeka Odumegwu Ojukwu University
Anambra State, Nigeria

Asso. Prof. Iyabrade Ikporukpo

HOD, Department of Political Science
Niger Delta University, Bayelsa

Dr. Bassey Anam

Institute of Public Policy and Administration
University of Calabar, Nigeria

Prof. Elizabeth Adebayo

MAUTECH, Nigeria

Prof. Thomas Traynor

Wright State University, USA

SECRETARIAT : +2348174380445, +2348060601893

Email: researchbriefing@gmail.com

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CONFERENCE PROGRAMME

DAY ONE – Wednesday 6th September, 2023

OPENING SESSION/PLENARY

Conference Registration	- 8:00am – 9:00am
Opening Prayer/Welcoming Remark	- 9:00am – 9:15am
Institutional Brief/Chairman's Opening Remark	- 9:15am – 9:30am
Research Training	- 9:30am – 12noon
Launch Break/Group Photograph	- 12noon – 1:00pm
Plenary Session	- 1:00pm – 4:00pm
Policy Review Session	- 4:00pm – 5:00pm

DAY TWO – Thursday 7th September, 2023

OPENING SESSION/PLENARY

Conference Registration	- 8:00am – 9:00am
Opening Prayer/Welcoming Remark	- 9:00am – 9:15am
Institutional Brief/Chairman's Opening Remark	- 9:15am – 9:30am
Research Training	- 9:30am – 12noon
Launch Break/Group Photograph	- 12noon – 1:00pm
Plenary Session	- 1:00pm – 4:00pm
Policy Review Session	- 4:00pm – 5:00pm

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Book of Proceedings





5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

NDU, Wilberforce Island, Bayelsa - Nigeria | 6th - 7th September, 2023

THE ROLE OF CONTEXT-RESPONSIVE LEADERSHIP IN THE CULTURE RE-ENGINEERING OF TERTIARY HEALTH INSTITUTIONS IN BAYELSA STATE

Kuroakegha Bio Basuo

Department of Management, Faculty of Management Sciences, Niger Delta University, Wilberforce
Island, P.M.B. 071, Amassoma Bayelsa State, Nigeria

Abstract

Culture is significant to the effectiveness of the institution. The challenge of the 21st century leader is one that borders on aligning institutional cultures, in terms of belief systems and norms, with the changing dynamics of the global environment. That way ensuring its survival, relevance and sustained well-being. In view of the above concern, this paper empirically examines the role of context-responsive leadership in the re-engineering of the culture of tertiary health institutions in Bayelsa State. The specific objectives of the research are such that examined the extent to which dimensions of context-responsive leadership, namely – context awareness, adaptive leadership and knowledge exercise; are reflected within tertiary health institutions in Bayelsa State, as well as the impact of such on the culture reengineering process of such institutions. The study adopted a correlational research design, anchored within a quantitative method, with data generated from 20 management staff of the four (4) registered and licensed tertiary health institutions in Bayelsa State. Findings showed significant correlations between the dimension's context-responsive leadership and culture reengineering in the target institutions. It was concluded that the promotion of leadership features comprising context awareness, adaptive leadership and knowledge exercise, enriches and furthers a more open and supportive stance toward addressing the change needs of the Nigerian healthcare system through the effective reengineering of tertiary institutions within the sector.

Keywords: Leadership, organizational context, tertiary health institutions, culture, Bayelsa State.

Background to the Study

The culture of the organization plays a crucial role in its change initiatives. The related assessment of existing norms, beliefs and artefacts, facilitates organizational reforms and

the reconfiguration of existing systems and structures in ways that effectively integrates all units and functions of the organization (Cameron & Quinn, 2006). Culture re-engineering describes the realigning and transformation of culture facets and attributes of the organization (Cameron & Quinn, 2006; Kpakol & Amah, 2014). It prescribes the normalization of practices, behaviour and actions that are suited to the effective embedding of the organization; thus facilitating its survival and improved performance (Alvesson & Sveningsson, 2008). By its nature, the culture of the organization is pervasive, cutting across organizational units and levels; thus demonstrating the significance of culture reengineering to the behaviour of the organization and its disposition to its constituents and stakeholders (Cameron & Quinn, 2006).

The imperatives of culture-reengineering are such that anchor on the need to not only adapt, but also rejuvenate organizations; drive their value and enhance the quality of their services. This is because organizational culture can also be stagnant and constraining when it comes to creativity (Marcoulides & Heck, 2013). This concern with regard to organizational culture, reportedly, characterizes the healthcare sector of most countries, especially those categorized as the global south; notable amongst which is Nigeria. Ejughemre (2014) identified cultural lapses in most public and health institutions in Nigeria; noting that existing culture attributes and features fail to spur on, or effectively harness the expertise, competencies and innovations within most of these institutions. Yunusa et al (2014) on the other hand argued, that the culture of these institutions are such that have over the years contributed to the deterioration of the healthcare system, which as Abdullahi (2019), pointed out was rife with corruption, unethical vices and distrust.

Culture reengineering, according to Alvesson and Sveningsson (2008), builds on identifying and addressing the organization-environment relationship, through the transformation of values and beliefs, ensuring consonance between the organization and its environment. Related research (Badia et al, 2021; Archibong et al, 2020; Riman & Akpan, 2015), shows that the concept of culture-reengineering is not new, and for decades, it has been the centre of most studies bordering on the public and health institutions in Nigeria. In investigating the significance of culture in the quality of service reflected in Nigerian hospitals, Ejughemre (2014) stressed the need for reforms, targeted at addressing the core values of the healthcare system. This aligned with Kpakol and Amah's (2014) research on the imperatives of culture-reengineering for change receptivity in Nigeria. Kavanagh and Ashkanasy (2006) advocated the need for the management of organizations to revisit and re-evaluate existing cultural values and norms in the workplace. Their research, in addressing management and leadership roles, draws attention to the criticality of leaders in the effectiveness of culture reengineering.

Kavanagh and Ashkanasy (2006), posited that leaders chart the pace and course for the progress and direction of the organization. Their role also involves stimulating the workforce and ensuring functions are harmonized in an effective and efficient manner. However, in addressing concerns of change and reengineering when it comes to organizational culture, one aspect of leadership scarcely addressed is the extent of its

responsiveness to the context of the organization. Bredeson et al (2011) described context-responsive leaders as such that are open to learning, contextually aware and conscious or deliberate in their approach toward integrating the various elements or units of the organization. In addressing context-responsive leaders as possible antecedents of culture reengineering, this paper deviates from previous research on the basis of its adoption of the context-responsive leaders as the lens through which it addresses the challenges associated with culture reengineering and the context of its focus - tertiary health institutions in Bayelsa State. The aim of the paper was therefore to investigate the relationship between context-responsive leaders and culture reengineering of tertiary health institutions in Bayelsa State. The related objectives of the research are to:

- i. Discuss the concepts of context-responsive leaders and culture reengineering.
- ii. Investigate the relationship between leader contextual awareness and culture reengineering of tertiary health institutions in Bayelsa State
- iii. Ascertain the relationship between adaptive leadership and the culture reengineering of tertiary health institutions in Bayelsa State
- iv. Determine the relationship between knowledge exercise and the culture reengineering of tertiary health institutions in Bayelsa State

The Organizational Learning Theory

Agris and Schon (cited in Kotnour, 2000), propounded the organizational learning theory in the early 70s; emphasizing the imperatives of the organizations interaction with its environment or context, as well as the acquisition and application of knowledge. Recent research (Jain & Moreno, 2015) continue to reinforce the position of organizational learning in enabling functional frameworks and systems that are suited to the emerging needs of the environment - thus, serving as pointers to actions that could enrich the organizations value and relevance within its context. Learning as put forward by Agris and Schon (cited in Kotnour, 2000) focused on processes of knowledge acquisition as well as application, facets which as posited by Khanna (2014), demonstrate the organizations understanding of the environment and its will to address functional gaps in order to be successful. These as Jain and Moreno (2015) argued, border on the extent to which relationships and interactions with the environment is maintained and fostered through partnerships and network involvement.

Context-Responsive Leadership

Extant research (Zaccaro et al, 2018; Khanna, 2014; Bredeson et al, 2011) refers to context as describing a range of factors, conditions, frameworks and locations; all of which encapsulate distinct events, relationships and experiences for social actors. By this, context can be stated as reflecting the unique framework of factors which manifest in the experience of individuals and groups, impacting on their realities and behaviour. Such an impact could be negative or positive and where individuals or groups fail in adjusting or adapting to the changes in their context, they invariably suffer in the same regard (Bredeson et al, 2011). From an organizational perspective, the management and leadership of organizations are considered responsible for the outcome of the interface between their organizations and its context. Context-responsive leadership in this sense refers to the various actions, instituted

and expressed in organizational leadership, aimed at effectively adapting related components or the entirety of the organization to the emerging or dynamic realities of its context or environment (Bredeson et al, 2008).

The conceptualization of context-responsive leadership draws on the practices and behaviour of leadership that first, demonstrates their awareness or understanding of the change or evolving nature of their environment; second, it demonstrates the extent of their capacity, competency and resources to effectively adjust to their environment - in other words their adaptability in reconfiguring their systems to mirror and address the gaps or opportunities in their environment (Bredeson et al, 2011). Third, their will or expressed intent in addressing context or environmental changes through the development and implementation of policies, strategies and frameworks that effectively match the concerns of the organization and its objectives in its environment. Thus, the three dimensions of context-responsive leadership adopted in this study comprise of context awareness, adaptive leadership and knowledge exercise (Bredeson et al, 2011).

Context awareness, the first dimension of context-responsive leadership in this research, describes the extent to which leadership is in touch with the realities that shape the environment of the institution and also impose on its operations (Bredeson et al, 2011; Leslie, 2015). It bothers with the institution's knowledgeability of the gaps and opportunities that are reflected in its environment. This differs from adaptive leadership which according to Lord et al (2011) is extent to which leadership is able and equipped to make the necessary adjustments to the change or evolving nature of its environment. This also includes the required infrastructure and resources for such change (Lord et al, 2011). The third dimension is knowledge exercise, and it involves the will and determination of leadership to put into practice or implement and follow-up those policies which are advanced on the basis of learning outcomes (Bredeson et al, 2011).

Culture Reengineering

Organizational culture is closely associated with the identity of the organization (Janicijevic, 2012). This is because culture underpins the behaviour, choices and actions of the organization; and serves as the lens through which the organization can be understood. Its functions, operations and processes reflect practices normalized through rituals and traditions which anchor on values and beliefs about its environment and its people (Janicijevic, 2012). The observed dysfunction, poor work environment and strain which characterize tertiary health institutions in Nigeria, could be argued to flow from a disposition of leadership which relegates the wellbeing of these institutions to other concerns (Fathalla, 2015; Solanke & Rahman, 2018). Ejughemre (2014), opined that the problem of brain drains of medical practitioners, and the resulting dearth of qualified and competent doctors, dentists and other medical professionals is such that can be linked to a depreciating value and regard for the healthcare sector, especially given the increasing resort to international healthcare services.

Most disturbing is the fact that despite notable agitations and strike actions by various medical associations, these conditions continue in a process of crystallizing into accepted (although distasteful) realities of the Nigerian healthcare sector (Yunusa et al, 2014). Desson and Cloutier (2010) identified culture as a fundamental concern in change-oriented actions and initiatives. This follows the observation that the organization's culture embodies its essence and is also the basis for its perceptions and interpretation of the environment; hence it shapes its internal and external relationships. From this position, it is possible to tie the consistency and failed attempts to rejuvenate the healthcare system of the country to its instituted culture and predisposition to change. This is because of a culture which places high value and regard for healthcare, and the prioritization of the physical, mental and social wellbeing of the populace, would be driven to ensure and promote such within its institutions (Cameron & Quinn, 2006; Drzensky et al, 2012).

Culture reengineering describes the related actions concerned with value reorientation, and redefining of existing belief systems, through the restructuring of practices and process that promote new perceptions and dispositions within the organization (Cameron & Quinn, 2006). Culture reengineering thus involves policies targeted at reforming the underlying ideologies that drive the attitudes, preferences, priorities and decisions of the organization. However, unlike other forms of reengineering such as the business process reengineering (BPR) which focus on organizational designs and operational dynamics, culture reengineering focuses on a deeper and softer aspect of the organization - its values and beliefs, as well as the re-enactment of such through improved or amended rituals and traditions (Amis & Aissaoui, 2013; Tseng, 2010). Related transformations and reconfigurations in these areas are also expected to drive its designs, relationships and interaction with its environment; most especially, facilitating a more responsive and effective Nigerian healthcare system (Alvesson & Sveningsson, 2008).

Context-Responsive Leadership and Culture Reengineering

Studies (Jain & Moreno, 2015; Tetenbaum & Laurence, 2011), indicate that through learning and partnerships, organizations can generate knowledge of the trends, changes and gaps in their environment. However, in applying the theory of organizational learning, one finds that learning is a continuous process that not only focuses on not only the creation of awareness or understanding about the changes or trends in the organization's environment, but it also identifies with the development of capacities and competencies that serve the organizations goals of adaptation. This follows Agris and Schon's (cited in Koutnour, 2000) emphasis on the organization's interaction with its environment. Such involves collaborative actions within networks, partnerships with stakeholders and vendors, and other key parties. Organizational learning thus reinforces the organization's position within its context, strengthening its connectedness and embeddedness and that way, facilitating its access to resources which could be considered imperative for its culture reengineering objectives as well. However, this theory is yet to be tested within the context of tertiary health institutions in Bayelsa State; hence the following hypotheses are put forward:

H01: There is no significant relationship between context awareness and culture reengineering of tertiary institutions in Bayelsa State

H02: There is no significant relationship between adaptive leadership and culture reengineering of tertiary institutions in Bayelsa State

H03: There is no significant relationship between knowledge exercise and culture reengineering of tertiary institutions in Bayelsa State

Methodology

This research adopted a correlational research design. This bordered on the nature of the investigation, which addressed association between two distinct variables; with one (context-responsive leadership) considered as the explanatory variable, and the other (culture reengineering) identified as the criterion (Bryman & Bell, 2011). Units of measurement for the research comprised of five administrative and management staff from a population of four tertiary health institutions registered and licensed, as sourced from the directory of the federal ministry of health, Nigeria. Data source was primary and the instrument for collection was the structured questionnaire. The structured questionnaire is considered suitable given the design of the study (correlation) and the adopted methodology (quantitative) in the investigation of the relationship between the variables (Saunders et al, 2012).

Instrumentation was based on existing research which offered operational definitions on the constructs of the study. Five (5) items were utilized in the operationalization of each dimension (context awareness, adaptive leadership and knowledge exercise) of context-responsive leadership, all of which were sourced from previous research (Bredeson et al, 2011; 2008), culture reengineering was treated as a single variable and operationalized using five (5) items sourced from related research (Kpakol & Amah, 2014; Kavanagh M. H, & Ashkanasy, 2006). A five (5) point Likert scale type was adopted in the measurement of the constructs, coded accordingly: Strongly disagree (SD = 1), Disagree (D = 2), undecided (U = 3) agrees (A = 4) and strongly agree (SA = 5). Validity was tested using the content validity, while instrument reliability was based on the intra-rater Cronbach alpha reliability test tool (Bryman & Bell, 2011). Presented in the table 1 is the distribution for the alpha coefficients for the instruments for each construct.

Table 1: Cronbach alpha coefficient

Constructs	No. of Properties	Cronbach Alpha Coefficient
Context Awareness	5	0.917
Adaptive Leadership	5	0.924
Knowledge exercise	5	0.909
Culture reengineering	5	0.929

Source: SPSS Research Data, 2023

Data Result

The result and findings are presented and interpreted in this section of the paper. A total of 20 questionnaire copies were distributed and successfully retrieved from the target participants and tertiary health institutions. Retrieved questionnaire copies were coded as cases into the Statistical Package for the Social Sciences (SPSS) version 26. Analysis is carried out in two main stages - the primary (addressing the univariate distributions for the variables) and the secondary (the test for the hypotheses of the study).

Primary Data Analysis

The univariate analysis centred on the distribution for the variables. Descriptive tools such as the mean and standard deviation were adopted in the assessment of the distribution for the variables.

Table 2: Univariate distribution for dimensions of context-responsive leadership.

	N	Mean	Std. Deviation	Skewness	Std. Error	Kurtosis	Std. Error
	Statistic	Statistic	Statistic	Statistic		Statistic	
Context Awareness	20	3.1300	1.25199	-.160	.512	-2.056	.992
Adaptive Leadership	20	3.1400	1.27006	-.229	.512	-2.129	.992
Knowledge Exercise	20	3.1700	1.23676	-.233	.512	-2.116	.992
Valid N (listwise)	20						

Source: SPSS Research Data, 2023

Result on the distribution for the dimensions of context-responsive leadership show participants, on the average affirm to related practices and behaviour that express the variables. From the analysis, results indicate that context awareness ($x = 3.0418$), adaptive leadership ($x = 3.0532$) and knowledge exercise ($x = 3.0610$) could all be considered as characterizing the tertiary health institutions, however at a moderate level. This follows the adopted measurement scale format (4-point Likert Scale), suggesting that most of the participants agree to the manifestations of these variables within the context of interest.

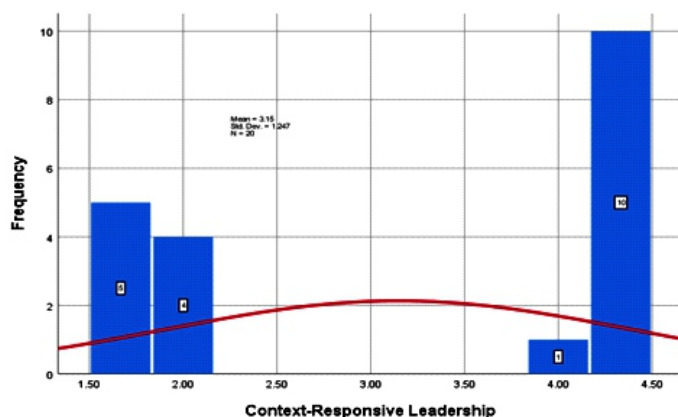


Figure 1: Histogram distribution for context-responsive leadership

The summary distribution for context-responsive leadership is illustrated in the figure 1. Result point to the substantiality of the variable which given its mean ($\bar{x} = 3.15$) and frequency distribution, suggests that participants agree to related actions and activities that reflect context-responsive leadership in the tertiary health institutions.

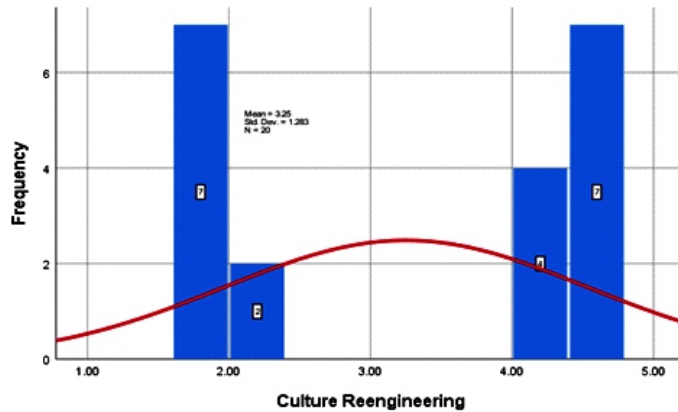


Figure 2: Histogram distribution for culture reengineering

Result for the distribution for culture reengineering as illustrated on figure 2, demonstrates a moderate disposition of the tertiary health institutions with regard to the reengineering of their culture. From the analysis it is evident that the target institutions express behaviour that suggest efforts channeled toward adjusting and remodeling culture values and beliefs in line with the changes or emerging realities of the institution's environment.

Secondary Data Analysis

The test for the hypothetical statements of the study is addressed in this sub-section of the study. The Spearman's rank order correlation tool was adopted in the test for the hypotheses; leveraging on the flexibility of the tool in the assessment of correlation between variables scaled on either the ordinal or interval scale. Presented in table 3 is the correlation test result for the variables.

Table 3: Hypotheses Test Result

			Context Awareness	Adaptive Leadership	Knowledge Exercise	Culture Reengineering
Spearman's rho	Context Awareness	Correlation Coefficient	1.000	.728**	.857**	.818**
		Sig. (2-tailed)	.	.000	.000	.000
		N	20	20	20	20
	Adaptive Leadership	Correlation Coefficient	.728**	1.000	.808**	.887**
		Sig. (2-tailed)	.000	.	.000	.000
		N	20	20	20	20
	Knowledge Exercise	Correlation Coefficient	.857**	.808**	1.000	.854**
		Sig. (2-tailed)	.000	.000	.	.000
		N	20	20	20	20
	Culture Reengineering	Correlation Coefficient	.818**	.887**	.854**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	20	20	20	20

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

The result for the analysis shows that all three dimensions of context-responsive leadership significantly correlate with outcomes of culture reengineering. Evidence identifies the relationship between adaptive leadership and culture reengineering ($\rho = 0.887$ and $P = 0.000$) to be the most significant. This is followed by the correlation between knowledge exercise and culture reengineering ($\rho = 0.854$ and $P = 0.000$), and then the relationship between context awareness and culture reengineering ($\rho = 0.818$ and $P = 0.000$). The result demonstrates the significance of context-responsive leadership in predicting and contributing toward effective outcomes of culture reengineering in the tertiary health institutions in Bayelsa State. Thus, all related null hypotheses of no significant relationship are rejected.

Discussion of the Findings

The findings of this research identify related actions and practices of context-responsive leadership as moderately characterize the tertiary health institutions in Bayelsa State. Its role in the outcome of culture reengineering is observed to be high, given the observed contributions of context awareness ($\rho = 0.818$), adaptive leadership ($\rho = 0.887$) and knowledge exercise ($\rho = 0.854$) to the reconfiguring and transformation of the culture of the organization. The findings of the research corroborate the observations of previous studies (Bredeson et al, 2011; Khanna, 2014; Janicijevic, 2012), reinforcing the position that context-responsiveness at the leadership or organizational level, facilitates an increase in change receptivity, especially through the repositioning of the culture for such.

The evidence generated in this research, furthers the imperative for institutions to be more open to learning about their environment and that way enriching their context awareness. This reiterates the position of the organizational learning theory (Jain & Moreno, 2014), emphasizing possible gaps and advantages associated with the understanding of the environment - particularly threats and opportunities in the environment. The relationship between context-responsiveness leadership and culture reengineering within tertiary health institutions in Nigeria, demonstrates the viability of change-oriented actions and practices that are focused on the redefining the values, norms and underlying belief systems of the organization; thus affirming to the significance of context-responsive leadership in rejuvenating tertiary health institutions in Bayelsa State.

Conclusion

The conclusions of this paper are such that draw on its evidence and empirical-based position on the relationship between context-responsive leadership and culture reengineering of tertiary institutions in Bayelsa State. Drawing on the positive relationship between the variables, it is the conclusion of this paper that the promotion and encouragement of context-responsive leadership facets such as context awareness, adaptive leadership and knowledge exercise, enriches the knowledge base and general disposition of the institution toward change; furthering a more open and supportive stance toward addressing the change needs of the Nigerian healthcare system through the effective reengineering of tertiary institutions within the sector.

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5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

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PEACE BUILDING IN NORTHERN NIGERIA UNDER GOODLUCK JONATHAN'S ADMINISTRATION: INTEGRATING ALMAJIRI EDUCATION INTO WESTERN EDUCATION

Ighodalo Joseph Ejemheare

*Department of General Studies,
Federal Polytechnic Ekowe, Bayelsa State*

Abstract

Since the emergence of Boko Haram terrorist groups in the North, the search for peace has been the primary preoccupation of the Nigerian Government. The Nigerian Government has deployed security forces in the area, hoping that using brute force can forestall peace in the region. Despite the high-security engagement, Boko Haram continued to destroy, kidnap, maim, and kill innocent Nigerians. The military engagement could not prevent the Boko Haram groups from having sympathizers among the deprived groups, especially the Almajiri. The danger Boko Haram posed to the country's security propelled Goodluck Jonathan's administration to devise a policy to address the challenges of the terrorists from the root. Consequently, the Nigerian Government under Jonathan developed a national policy guideline for integrating Almajiri education with Western education. This paper, therefore, examines the implications of integrating Almajiri education with Western education on peacebuilding in Northern Nigeria. Relying on primary and secondary sources, the article believes that the integration was the first attempt at addressing the challenge of the Boko Haram insurgency from the root of the problem. The paper also considers that the integration was the surest way of preventing the Boko Haram groups from finding sympathizers among the hopeless youths and the Almajiri groups.

Keywords: *Peace Building, Integration, Western Education, Almajiri and Boko Haram.*

Background to the Study

Since Nigeria gained independence in 1960, the country has witnessed countless conflicts and even total war from 1967- 1970. Since the transition to democratic rule in 1999, Nigeria has been engulfed in multiple crises. The activities of an extremist religious group called "Jama'atu Alhu Sunnah Lidda wati wal jihad, or people committed to the propagation of the prophet's teachings and jihad, otherwise known as Boko Haram" has remained, to date, the security challenge that has threatened the existence of the Nigerian state. Boko Haram detested Western culture in its totality. They see Western education as an offshoot of Christianity, so the Islamic faithful should not embrace it. Since the emergence of the Boko Haram terrorist groups in 2009, tens of thousands of people have been killed, and more than three million others displaced. The terrorist groups rose due to long-time grievances in Northern Nigeria. The groups were pained by the imposition of the Western education system, which was not compatible with the Islamic practices in the North by the British colonial Government. Given this, Western education became a factor in the high level of out-of-school children in the North.

Due to the poor educational conditions in the North, Western education is seen as responsible for the high unemployment rate in the area. The groups further classified Western education as responsible for the high level of corruption in the country since the educated elites preside over the Government. The groups were also profoundly pained that the Almajiri Islamic Certificate cannot be used to seek white-collar jobs in contrast to the Western education certificate. This development resulted in the Northern youths becoming associated with poverty, hopelessness and deprivation. The preceding adverse social conditions became a social identity that united the deprived and terrorist groups. The founder of Boko Haram, Mohammed Yesuf, attacked Western education and Nigeria's democracy and constitution. Yesuf thinks that Western education and the federal system of Government are antithetical to the Islamic tenet.

Social and economic deprivation is vital in the origins of violence and radicalization in Northern Nigeria. In one way or another, the Boko Haram groups have found themselves in these deprived groups, so it was easy for Boko Haram to find sympathizers among the Almajirai. The Almajirai have lived in hopelessness and economic marginalization, so it was also straightforward for them to fall prey to Boko Haram incentives and propaganda. In other words, the Almajirai were driven to see reasons in terrorist propaganda because of their intolerable social conditions. Laqueur argued that "a direct correlation exists between terrorism and poverty; that poverty, especially in what used to be called the third world, is the most important factor responsible for terrorism." This is why Boko Haram members are mainly recruited from among the poor in society.

¹Mohamed Ali Omar, "Somalia Irredentism: An Analysis of its Causes and its Impact on Political Stability in Somalia from 1960-1991", MA Thesis, African Studies, Dalarna University, 2021, accessed July 5, 2023. <https://www.diva-porta.org/smash/get/diva2:1580508/FULLTEXT01.pdf>.

²Usman Abbo, Zawayah M. Zain and Bashir A. Njidda, "The Almajiri System and Insurgency in Northern Nigeria: A Reconstruction of the Existing Narratives for Policy Direction", *International Journal of Innovative Research and Development*, (2017), accessed February 9, 2021. https://www.researchgate.net/publication/320411011_The_Almajiri_System_and_Insurgency_in_the_Northern_Nigeria_A_Reconstruction_of_the_Existing_Narratives_for_Policy_Direction.

Since the emergence of Boko Haram terrorist groups in the North, the search for peace has been the primary preoccupation of the Federal Government of Nigeria. The Nigerian Government has deployed security forces to the area, hoping that using brute force can forestall peace in the region. Despite the high-security engagement, Boko Haram continued to destroy, kidnap, maim, and kill innocent Nigerians. The gravest of the menace of the Boko Haram terrorists was the abduction of 276 girls from Government Girls Secondary School, Chibok, in Borno State on April 15, 2014. The danger that Boko Haram posed to the country's security propelled Goodluck Jonathan's administration to devise a policy to address the challenges of the terrorists from the root. Consequently, under Jonathan's administration, the Federal Government of Nigeria came up with the "national guideline for the development and integration of the Almajiri education into basic education..." The policy led to the construction and completion of 157 Almajiri modern schools nationwide between 2010 and 2015. The schools were predominantly located in the Northern part of the country. The gesture was a concrete way of resolving the Boko Haram conflict in the North by addressing challenge from the root. This is geared toward changing the conditions that led to the conflict.

Early History of Almajiri

In pre-colonial, organized and comprehensive Almajiri education system funded by the state prevailed in the North. The education system was started in the 11th Century AD "under the Kanem Bornu Empire as an organized and comprehensive system of education for learning the Glorious Quran and the Hadith and their attendant Islamic principles, values, jurisprudence and theology." Many Muslim countries like Egypt, Libya, Pakistan, Indonesia, to mention a few, adopted this education system. The Sokoto Caliphate later joined in running similar Islamic schools. In this period, the Almajiri pupils lived with their parents and most of the schools were in the pupils' surroundings. Despite this, there were other pupils brought to the Malam by their parents with special arrangements for their upkeep. Since Islam permits alms, the communities supported the Almajirai (plural of Almajiri) from faraway communities, the resident pupils and their teacher (Malam). The Almajiri rendered services like cobbling, laundry, sewing and gardening as acts of charity to the community in return for their kind gesture of contributing to their upkeep. Furthermore, the Almajiri system provided the community with Islamic education and the Islamic religion became a complete way of life. Islam is embedded in the system of Government, culture and tradition, trade, and agricultural practices. In pre-colonial, the Almajiri acquired Islamic education without tuition fees, and they were offered free food and accommodation.

³Walter Laqueur, *No End to War: Terrorism in the Twenty-First Century* (New York: Continuum Publishing, 2003), P.15.

⁴Goodluck Ebele Jonathan, *My Transition Hours* (Kingwood: Ezekiel Books, 2018), P. 28.

⁵Isiake Tajudeen Onitada, "A pilot Study of the Challenges of Infusing Almajiri Educational System into Universal Basic Educational Programme in Sokoto, Nigeria", *Journal of Education and practice*, Vol. 6, No. 16, 2015, p.11.

⁶Sani Abubakar Lugga, *The Almajiri Education System*, Katsina: Luga Publishing and Technical Services, ND, P. 9. Lugga, *The Almajiri Education...*, P. 9.

⁷Mohammed-Bello Yunusa, *Understanding the Almajiri Muslim Child and Youth Education in Nigeria*, Zaria: Tamaza Publishing Company, 2013, P. 2.

With the institution of colonial Government, Resident officials were appointed to replace the Emirs, and the power to approve expenditures now resides with the Resident official. The Resident officials, being the agents of the British colonial Government, only approved expenditure for the mission schools, leaving Mallams and their students to look for a way to support themselves. Consequently, the students resulted to begging to support Mallam and themselves. This was how the Almajiri state funding was canceled, and Western education funded by the colonial Government was introduced. The new Western education introduced by the colonial Government was completely different from the Islamic education system's aims and objectives. With the advent of the British colonial Government, a one-time Islamic state with its Islamic government apparatus gave way to Christian schools managed by Christian missions. Consequently, the colonial Government developed a new policy that adversely affected the teaching of Islamic education in Northern Nigeria. The colonial Government came to abolish the Islamic political structure that supported and budgeted for the Almajiri education system. In post-colonial Northern Nigeria, there were Almajiri Islamic schools and Western education. While the Western school certificate can be used to secure a job, the Islamic certificate needs to be recognized. This now resulted in a situation of hopelessness and frustration for the products of the Islamic schools. It is this lacuna the terrorist groups capitalized on by saying Western education is terrible. The plights of the Almajirai were neglected by their various states and local governments where they could fit in since they could function without interpreters in their locality. Even a state that professes Sharia could not admit an Almajiri Islamic certificate holder into her civil service.

The Relationship between Boko Haram and Almajiri

Boko Haram uses strategies to convince Almajiri that their frustration emanated from what they detested. Boko Haram maintained that they must take desperate action due to intolerable conditions like hopelessness and political and social oppression orchestrated by the political elite. Boko Haram further claimed that their struggle is an attempt to purify Islam from the menacing effect of Western culture, which is spread by Western education. According to the group, implementing the Sharia legal system will guard against Westernization. Terrorist propaganda is usually coined in a way that gives it a broad base of popular support. Terrorist groups psychologically and physically attack the existing institutional order and devise an alternative that those affected adversely can see as a panacea to their hopeless condition. They justify their violent approach by painting the current order as deaf to the hopelessness and frustration of ordinary citizens.

Boko Haram emphasizes the changing of the Islamic establishment and the Government, which have neglected the ordinary citizens to languish in poverty. Through this, Boko

⁸M. Ameen Al-Ameen, *Almajiri and Quranic Education*, Kaduna: Rishab Printing Press, 2001, P. 55.

⁹Tijani El Miskin, *Islamic Education in Northern Nigeria and the Crisis of Subsistence: The Almajiri's Bowl as Symbol Conscience*, A Paper Presented at the National Conference on Begging and destitution, Arewa House, Kaduna, Nigeria, 5th - 7th September 1997.

¹⁰Ade Aborurin, *Perspective on National Security and Terrorism*, Ibadan: Golden - Gems Unique Multiventures, 2015, P. 5.

¹¹Akali Omeni, "Forced Stigmatized and Misunderstood: Almajiri and Boko Haram Beyond the Victim - Perpetrator Binary" accessed March 4, 2021, <https://republic.com.ng/june-july-2020/forced-stigmatized-and-misunderstood/>. Omeni, "Forced Stigmatized and Misunderstood".

Haram captured the social condition of the Almajiri. Consequently, the Almajiri became susceptible to Boko Haram propaganda. Omeni notes:

As of 2011, we were told we have over eight million Almajiri. With numbers on this scale, if even a fraction participated in the insurgency-whether by kidnapping, coercion, or willfully - the Nigerian Government has a significant security problem. Indeed, many have now connected the sheer scale of the Almajiri problem and Boko Haram's intractable insurgency. This is insofar as Boko Haram appears to have an endless stream of recruits who fit the profile of Almajiri: young male, physically unkempt, with limited English language skills, no belonging, no socio-economic prospects and no homes or families close to where they were found.

Omeni has argued that Almajiri should not be blamed for joining the Boko Haram terrorist group. He said Boko Haram became attractive to them because they were angry. After all, the traditional Islamic establishment and Government had neglected them. Recruitment into the Boko Haram group has been blamed on poverty, as Smirth Affirms:

As for recruitment into Boko Haram, some see a cycle of poverty and lawlessness as the leading cause. Religion is the basis of recruitment, so that's why they can get so many people, but the incentive for people to get into and remain in it is the motive they make from it.... So if money is available and these people ordinarily live a street life, where they don't know what they get for the day, somebody is paying their bills, feeding them, clothing them, and giving them some little profit. And then, there are minimal consequences for their actions. They can get away with it. The military hasn't been able to respond in a way that proves a disincentive for them to continue this path.

It is important to note that Boko Haram's monetary incentives and other welfare packages became attractive to the Almajiri because the packages improved social conditions compared to their usual state of neglect, deprivation and oppression inflicted on them by the political elite and the traditional Islamic establishments. There is "a causal nexus between the economic destitution of the Almajiri and the increase in youth restiveness in Northern Nigeria." Scholars are unanimous that there is a relationship between poverty and terrorism. These scholars argued that poor economic conditions increase the probability of political coups and that economic variables are potent predictors of civil war, insurgency and terrorism."

Ban Ki Moon, the former United Nations Secretary General, while addressing the summit on global governance for tackling poverty in 2015 in Dubai, United Arab Emirates, maintained

¹⁶Mike Smith, *Boko Haram: Inside Nigeria's Unholy War*, London I. B. Tauris, 2016, P.16.

¹⁷Usman Abbo, Zawiya Mohd Zain and Bashir A. Njidda, "The Almajiri System and Insurgency in Northern Nigeria: A Reconstruction of Existing Narratives for Policy Direction", *International Journal of Innovative Research and Development*, (2017), accessed December 26, 2021. www.ijied.com.

¹⁸Gulleng Yohanna Daskyes, "Poverty Governance and Terrorism in Africa: Toward Preventive Framework", in Okpe O. Okpe (eds) *Poverty and Social Policies in Africa*, Lagos; Integrity Publishers, 2019, P. 44.

that "trusted institutions that deliver for people equally are critical in stability..." A feeling of inequality and injustice can drive people to intolerable action. Be it inequality, injustice, hopelessness, frustration, or political and social oppression, the central word is poverty. Poverty is a contradiction in Nigeria. Ironically, despite the country's massive oil and other resources, the citizens continue to wallow in poverty. Poverty has led to the emergence of various groups that threaten the security of the country. For example, the rise of the militant youth in the Niger Delta, the Odual People Congress (OPC) in the West, the Movement for the Actualization of Biafra in the East, and the Boko Haram insurgency in the North. There is agreement in these groups that a particular institution in the state has deprived them of the opportunity to live life to the fullest. They see the Government as the institution that is responsible for their frustration. A situation now arises where the Government and the citizens are rival groups.

Integration of Almajiri Education into Western Education under Goodluck Jonathan

Education is a machine for national development. Acquiring knowledge is, therefore, a panacea for any nation's socio-economic and political development. "Those who are denied the right to education face the possibilities of limited chances in the future." Any situation or circumstance that stands between a man and the attainment of his educational objective is a massive problem for a state. The problem might be seen as an individual or that of a citizen. It is a problem of the state. Awolowo put it right that "the problems of a nation are the summation of the personal or private problems of its citizens". The United Nations Scientific, Cultural and Educational Organization declared that about 10 million children in Nigeria are out of school. The Minister of State for Education under Goodluck Ebele Jonathan's administration, Barr. Nyesom Wike declared that of the 10 million out-of-school children, 9 million come from the North.

The danger posed by this ugly situation made the Nigerian Government under Goodluck Jonathan to inaugurate the Ministerial Committee on Madrasah Education headed by Professor Shehu Gladanchi. The committee's primary assignment is to design a plan for integrating Quranic education into Nigeria's formal education system. The committee surveyed and found more than 9 million Almajiri in Nigeria. When the committee submitted its report, the Federal Government inaugurated an implementation committee. It charged it with ensuring that the 9 million Almajiri in the country is integrated into the Universal Basic Education Programme. The result of the mandate given to the implementation committee was the establishment of modern Almajiri schools in various parts of the country. The policy of integrating Almajiri into Western education led to the

¹⁵United Nations Secretary General Highlights Global Governance for Tackling Poverty and Climate Change" accessed March 8, 2022. [Sdg.iisd.org/news/un-secretary-general-highlights-global-governance-for-tackling-poverty-climate-change/](https://sdg.iisd.org/news/un-secretary-general-highlights-global-governance-for-tackling-poverty-climate-change/).

¹⁶Emmanuel Achus Jah and Jacob David Gofwan, Integrating Almajiri System of Education with Conventional Education: A Stimulus for Peace and Security in Northern Nigeria, accessed August 4, 2023 http://ijariie.com/AdminUploadPdf/INTEGRATING_ALMAJIRI_SYSTEM_OF_EDUCATION_WITH_CONVENTIONAL_EDUCATION_A_STIMULUS_FOR_PEACE_AND_SECURITY_IN_NORTHERN_NIGERIA_ijariie4887.pdf.

¹⁷Obafemi Awolowo, *The Problem of Africa*, London: Macmillan, 1977, P. 5. "Nigeria: Faces of out of School Children", Premium Times, February 7, 2021, accessed August 6, 2023. <https://www.premiumtimesng.com/news/154775-nigeria-faces-of-out-of-school-children.html?tztc=1>.

construction and completion of 157 Almajiri modern schools across the country between 2010 - 2015. The schools were predominantly located in the Northern parts of the country.

The Almajiri is dominated by children who move around the street hopelessly in search for food without adequate social welfare and are excluded from the Western education system. The need to address the challenge posed by Almajiri became imperative as this will pave the way for attaining Millennium Development Goals (MDG). With the integration, the Almajiri pupils can access basic education. Basic education "lays the foundation for all life-long learning by inculcating appropriate learning - to learn, self-awareness, citizenship and life skills. Achieving basic education for all by 2015 is a crucial objective of the Millennium Development Goals. The Government did not only integrate Almajiri into Western education but incorporated skill acquisition into the new curriculum, and this is the surest panacea for poverty and unemployment eradication in Northern Nigeria. Apart from being a panacea for poverty eradication, the gesture is constitutional. Section 18 of Chapter 2 of the 1999 constitution of the Federal Republic of Nigeria declared thus:

- (1) *Government shall direct its policy towards ensuring equal and adequate educational opportunities at all levels.*
- (2) *Government shall promote science and technology*
- (3) *Government shall strive to eradicate illiteracy, and to this end, Government shall, as and when practicable, provide free, compulsory, and universal primary education.*

Peace Building and the Integration of Almajiri Education into Western Education

The level of literacy and numeracy determines the greatness of any nation. The Government tried to make Almajiri functional members of society and prevent the Almajiri groups from being easily radicalized into terrorist groups by integrating Almajiri into Western education. The menace of Almajiri had become an enormous security challenge in contemporary Nigeria. There are schools of thought that intolerable injustices like poverty, political and social oppression drive terrorist recruits. Among such people, the insurgent groups found sympathizers. The policy ensures a secure future for the Almajiri and the nation. Almajiri education is one concrete means by which the Government can share the frustration and disgust of the poor Almajiri. The integration of the Almajiri school system into Western education system is a strategic plan that needs to be sustainably deployed to eliminate the causal root factors of the Boko Haram insurgency in Nigeria. Laqueur maintains that:

terrorists were people driven to desperate actions by intolerable conditions, be it poverty, hopelessness, or political or social oppression. Following this

¹⁸Abdulah M. Gullama, "Nigeria: Galadanchi head FG's Committee on Madrasah", Daily Trust, February 17, 2010, accessed August 5, 2023. <https://allafrica.com/stories/201002180191.htm>.

¹⁹Achus and Gofwan, "Integrating Almajiri System of Education"

²⁰Muhammad Shehu Hussain, Abdullahi Umar Alhassan and Isah Nahogo Kamba, Toward Integrating Almajiri Education into Basic Education: A Strategy for Achieving Millennium Development Goals, accessed August 10, 2023. https://www.academia.edu/4530166/Towards_integrating_Almajiri_Education_into_Basic_Education_A_strategy_for_achieving_Millennium_Development_Goals.

²¹1999 Constitution of Nigeria, Section 18 of Chapter 2, Lagos: Federal Government Press, 1999.

reasoning, the only way to remove or at least to reduce terrorism is to tackle its sources, to deal with the grievances and frustrations of the terrorists rather than simply trying to suppress terrorism by brute force.

Therefore, integrating Almajiri education with Western education is not only a way of showing concern for the frustration of the Almajiri but also a sure way of ensuring peace and development in the Northern region. The certificate from the integrated school can now be used to seek a white-collar job, unlike the Almajiri Islamic certificate, which cannot be used to seek a white-collar job. The Boko Haram groups were deeply pained by the fact that the Islamic Almajiri certificate, in contrast to the Western education certificate, cannot be used to seek a white-collar job in Nigeria. This frustration has been addressed since the certificate from integrating Almajiri and Western education can now be used to seek white-collar jobs. Abdalla notes that restoring equality is a key principle of Islamic conflict resolution. The Boko Haram groups strongly believed that the deprivation of the holder of the Almajiri Islamic certificate from employment opportunities in the country is the primary reason for the high unemployment rate in the North. Gaya Best notes that changing the condition that created the conflict "goes beyond conflict resolution to build longer standing relationships through a process of change in perceptions..." Integrating the Almajiri into Western education under Goodluck Jonathan's administration remained the first holistic attempt at tackling the challenge of Boko Haram insurgency from the root.

Integrating Almajiri Islamic education and Western education led to the enthronement of secular entertainment in the school system. The British colonial Government brought Western education, which was Christian-oriented, and this singular reason made the Northerners to distance themselves from Western education in the hands of Christian missions. Consequently, the management of education was predominantly in the hands of Islamists, and since this Islamic education lacked secular entertainment, it became a ground for radicalizing young Muslims. Laqueur attributed the high rate of terrorism in the Arab world to the fact that they left the supervision of education in the hands of Islamists, which made secular entertainment lacking in their education system. Awofeso, Ritchie and Degeling highlight three reasons why Almajiri served as an instrument of radicalization.

first, it involves children being relocated or separated from their family and friends to the guardianship of Mallams in towns. Second, it is restricted almost exclusively to boys. Third, the schools' curriculum primarily concerns teaching the sixty chapters of the Koran by rote memorization. Fourth, each school serves 25 to 500, from the ages 6 to 25. These schools are primarily autonomous from government oversight.

²²Walter Laqueur, *No End to War: Terrorism in the Twenty-First Century*, p. 11.

²³Amr Abdalla, "Principle of Islamic Conflict Intervention", in Shedrack Gaya Best (ed.) *Introduction to Peace and Conflict Studies in West Africa*, Ibadan: Spectrum Books, P. 147.

²⁴Shedrack Gaya Best, "The Methods of Conflict Resolution and Transformation", in Shedrack Gaya Best (ed.) *Introduction to Peace and Conflict Studies in West Africa*, (Ibadan: Spectrum Books, 2006), p. 95.

²⁵Gidado Bello Akko, *Towards Developing an Effective Curriculum for Integrated Islamiyya School*, A Paper Presented At Pre-Summit Workshop on the Integration of the Quranic Islamiyya Schools System with Conventional School System, Arewa House, Kaduna, Kaduna State, Nigeria, March 17, 2003.

Poverty and deprivation are common identities, and because the Government does not make budgetary provisions for their education, it is difficult for the Government to carry out oversight functions. Consequently, the Mallam's command is their wish. Apart from poverty and deprivation, the Islamic culture served as a common identity, so it was easy for the Mallam to mobilize the Almajiri. Integrating Almajiri education into Western education became an instrument of multiple identities. In other words, the Islamic, Christian and the interests of those who did not profess both faiths are represented. It is an agent of unity.

Conclusion

In this paper, we have examined the effort by Goodluck Jonathan's administration to build peace in Northern Nigeria using the integration of Almajiri education into Western education as a case study. The paper believes that the inability of military engagement to restore peace in the area made Goodluck Jonathan's administration to develop the policy of integrating the Almajiri education system into Western education. The integration was a strategic policy to address the challenge of the Boko Haram terrorist group from the root. The Boko Haram terrorist group rose due to long-time frustration, hopelessness, and unemployment in Northern Nigeria. The terrorist group believed that the imposition of Western education by the British colonial Government was responsible for the unemployment and frustration in the area. The groups argued that since Western education was incompatible with Islamic culture, the Muslims distanced themselves from it. The Muslim faithful felt that since the education management was in the hands of missionaries, their children could be Christianized.

Western education resulted in abandoning Islamic education, with the pupils and students fending for themselves. In contrast to the Western education certificate, the Islamic education certificate cannot be used to seek a white-collar job. This created massive unemployment in the North, and the high unemployment rate, frustration, and hopelessness made this deprived group susceptible to Boko Haram propaganda. This means that even when the Nigerian Army killed the Boko Haram, the frustrated poor were still willing to join the group. This is so because Boko Haram's incentives put them in a better social condition. Integrating Almajiri Islamic education with Western education was a sure way of resolving the Boko Haram insurgency by addressing the root cause. The gesture is geared toward changing the condition that led to the conflict. The integration is a way of showing concern for the frustration of the Almajiri. The certificate from the school can now be used to seek a white-collar job, unlike the Almajiri certificate, which cannot be used to seek a white-collar job.

²⁶Laqueur, *No End to War...*, P. 17.

²⁷Awofeso, Ritchie & Degeling in Usman Abo, Zawayah M. Zain and Bashir A. Njidda, *The Almajiri System and Insurgency in Northern Nigeria: A Reconstruction of the Existing Narratives for Policing Direction*, accessed August 17, 2023. https://www.internationaljournalcorner.com/index.php/ijird_ojs/article/view/138435/97150.



5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

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WORKFORCE DIVERSITY AND ORGANISATIONAL EFFECTIVENESS IN SOME SELECTED COMPANIES IN RIVERS STATE, NIGERIA

¹Onu, Abara; & ²Abubakar, Sani

^{1&2}Department of Business Administration and Management,
School of Management Sciences, Federal Polytechnic, Ekowe, Bayelsa State

Abstract

This study examined the effect of workforce diversity on organizational effectiveness of selected manufacturing firms in Rivers State, Nigeria. The study adopted descriptive survey research design. The population of the study was made up of the entire staff of 12 randomly companies. The staff strength of the 12 randomly selected manufacturing companies was 1360. A sample size of 262 respondents was determined using the Stat Trek Sample Formula. Validity of the instrument was carried out using content validity, and this was done by 5 management experts from both the academia and the industry. Internal consistency test that uses Cronbach alpha coefficient as a test statistic was used to test the reliability of the instrument, yielding a coefficient of 0.782. Simple Linear Regression and Pearson Product Moment Correlation Coefficient were used to test the hypotheses at 5% significant level. The findings revealed that gender diversity significantly promoted peaceful working atmosphere ($p < 0.05$); ethnicity diversity had positive significant effect on innovation ($p < 0.05$); educational background diversity had positive relationship with competition ($p < 0.05$); age diversity had a significant effect on succession planning ($p < 0.05$); and religion diversity had significant effect on employee commitment ($p < 0.05$) in the manufacturing firms under study. The study concluded that workforce diversity had a significant impact on the effectiveness of manufacturing firms. The study recommended amongst others that management of firms should ensure that they continuously provide equal opportunity to both gender as this will promote a peaceful working atmosphere this has a positive effect on the innovativeness of employees.

Keywords: Diversity, Organisation, Workforce, Effectiveness, Ethnicity

Background of the Study

The workforce diversity emerged mainly to further the availability of equal opportunities in the workplace (Otiike, Messah & Mwalekwa, 2016). This equal opportunity philosophy is aimed at ensuring that the organisations make the most out of the differences from a diverse workforce rather than losing talent which might assist the organisation to be more efficient and effective (Bryan, 1999). The effectiveness of an organisation can be measured in different criteria (French, Wendell & Cecil, 2009) among them is productivity, profits, growth, turnover, stability and cohesion. In the past century, the growing diverse workforce in organisations has led scholars to pay increased attention to the issue of workforce diversity (Gupta, 2013). Diversity in the workplace is in the front burner of business discourse. Companies are recognising the need to leverage their diversity in the context of globalisation to maintain a competitive edge in the marketplace (Roberson, 2006). Business organisations in the developed and developing countries are all caught up in the globalisation web, which has heralded increased demographic and socio-cultural diversity in the workforce.

Nigeria is often regarded as one of the most populous industrially developing nations in the world and richly endowed with abundant human and natural resources. However, most of the economic drawbacks of the nation may be attributable to the apparent inability of the organisations to perform optimally. No matter the type of organisation, chances are that people's actions, inactions or counteractions could be a threat to its corporate performance, existence and ultimate survival. It has been opined that many modern work organisations have people of variegated cultural backgrounds working together as employees which may be a potential source of organisational conflict (Ukachukwu & Iherionhanna, 2013). Again, diversity in the personality and other dimensions of diversity could also affect employee behavioural outcomes (Afolabi & Omole, 2011). Thus managers will need to understand a wide range of behaviours to bring out the best in the distinctive competences of the workforce.

Previous studies conceptualised workforce diversity as multi-ethnic (Nwadioha, 2016). Nigeria, like many nations of the world is ethnically heterogeneous, and is characterised by other demographic diversities, which are reflective in the Workforce. This phenomenon is one of the most challenging human resource and organisational issues of our time (Ogbo, Kifordu & Wilfred, 2014). Academicians and practitioners have sought to understand the impact of diversity and its management on organisational effectiveness (Afolabi & Omole, 2011). The difficulties and challenges of managing workforce diversity in Nigeria have taken some toll on most business organisations in the country. For instance, in a recent study carried out among the employees of selected five conglomerates in Lagos with regards to the impact of workforce diversity on the quality of management and overall corporate performance (Ogunseye, Fatile, & Treasure, 2010) found that 69.9% of the top-flight female executives who left the companies did so in their response to their being discriminated against in promotion to manager cadres on grounds that they were women or married couples.

Again, it was also revealed that certain deposit money banks in Kano, Kaduna, and Abuja that showed preference for older experienced persons as against their much younger counterparts in both their recruitment and other management practices suffered significant losses in their annual performance ratings for two reasons (Omankhanlen & Ogaga-Ogheneh 2011). One, it was found that the banks had to spend far too much of their resources on the usual high salaries and wages received by the older experienced staff than they would have done if they had relied more on attracting and retaining younger personnel who usually do not receive high salaries and wages. Two, in spite of the wealth of experience they bring to bear on their jobs, the older experienced staff proved very reluctant to adapt to those modern innovations like the use of information and communication technology gadgets that today drive any modern bank to gain competitive advantage over its competitors (Ibrahim & Elamin, 2011).

The purpose of this study is, therefore, to investigate the effect of workforce diversity on organisational effectiveness of selected manufacturing companies in Rivers State, Nigeria. Five variables from the different dimensions of workforce diversity were explored as the proxies of workforce diversity to determine their effect on organisational effectiveness. They are age, gender, religion, educational background, and ethnicity while organisational effectiveness has the following derivative variables, working atmosphere, succession planning, innovation, competition and commitment. Hence, this study investigated the impact of workforce diversity on organisational effectiveness with special focus on twelve selected companies in the manufacturing sector operating in Rivers State located in the South-South region of Nigeria.

Statement of the Problem

More women, minority groups and older workers are making themselves available for employment, suggesting a more heterogenous workforce in the near future which is different from the homogenous workforce of the past (Omankhanlen & Ogaga-Ogheneh 2011). The alignment of these, and their satisfaction, in order to contribute to the achievement of organisational goals poses a major problem to organisations. In recent years, diversity management and workforce diversity have been substantial and as such have forced companies to embrace these concepts in their companies with the aim of increasing productivity and profit. This forced integration has created divergence and uncertainty in the workforce, as management is not skilled enough to control the concept of diversity management and its ethics, and so managers are finding it difficult to effectively practice diversity management, which in turn has become an albatross on their neck.

Workforce diversity poses a tremendous challenge to organisations. Therefore, managing diversity is more than simply acknowledging differences, combating discrimination and promoting inclusiveness. Managers may also be challenged with increased turnover and reduced productivity due to prejudice, discrimination, complaints and legal actions against the organisation. The focus on differences in individual characteristics leading to inequality has posed the challenge of achieving unity in diversity and harnessing diversity to improve employee performance.

Objectives of the Study

The broad objective of the study is to investigate impact of workforce diversity on organisational effectiveness of selected manufacturing firms in Rivers State; the specific objectives of the study are to:

- i. Determine the extent to which gender diversity promotes peaceful working atmosphere.
- ii. Assess the effect of age diversity on succession planning.
- iii. Examine the effect of ethnicity diversity on innovation.
- iv. Ascertain the nature of the relationship between educational background diversity and competition.
- v. Identify the effect of religion diversity on employee commitment.

Conceptual Review

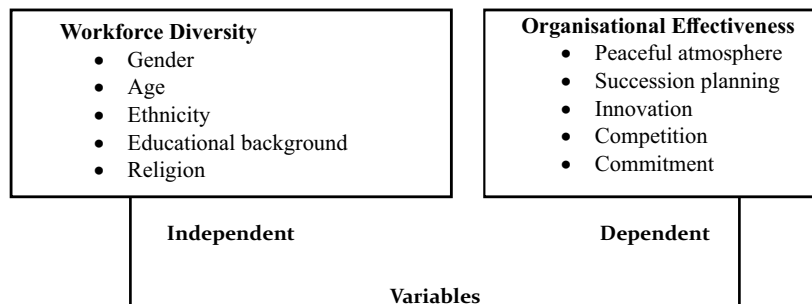
Workforce Diversity

Workforce or workplace diversity is a complex, controversial, and political phenomenon (Janssens & Steyaert, 2003). It has been conceptualized by researchers from several viewpoints. Some opine that diversity based on race, ethnicity, and gender cannot be understood in the same way as diversity based on organisational functions, abilities or cognitive orientations (Nkomo, 2005). Moreover, the key issues of diversity are those that arise because of discrimination and exclusion of cultural groups from traditional organisations (Cross *et al.*, 2004). Workforce diversity is proxied with these measurement construct and operational variables, gender, age, ethnicity, educational background and religion.

Organisational Effectiveness

Clearly the definition of effectiveness is multidimensional since a single perspective may not capture the effectiveness of any organisation. Also the role of performance measures is surrogates for demonstrating effectiveness (Cunningham, 1977). Organisational effectiveness is the concept of how effective an organisation is in achieving the outcomes the organisation intends to achieve (Mitchell, 2013). Richard (2000) posits that organisational effectiveness captures organisational performance plus the myriad internal performance outcomes normally associated with more efficient or effective operations and other external measures that relate to considerations that are broader than those simply associated with economic valuation (either by shareholders, managers or customers). This independent variable is proxied with peaceful atmosphere, succession planning, innovation, competition, and commitment.

Conceptual Model/Framework



Theoretical Framework

Social Identity Theory

Social identity theory as originally formulated by Tajfel and Turner (1979) is a cognitive social psychological theory that originated in Europe and gained popularity in North America and in other regions of the world. It provides the connection between social structures and individual identity through the meanings people attach to their membership in identity groups, such as those formed by race, ethnicity, or gender (Tajfel, 1982). They group themselves into social categories that have meaning for them, and these shapes the way individuals interact with others from their own identity group and from other groups (Tajfel, 2000, 2002; Tajfel and Turner 2006; Turner, 2007). The central propositions of the theory are noted as follows:

- a. People desire to belong to groups that enjoy distinct and positive identities.
- b. Social identification with certain groups leads to activities that are congruent with the group's collective identity and foster stereotypical perceptions of self and others.

Methodology

This research used stratified sampling method using simple linear regression analysis and Pearson's Product Moment Correlation Analysis. Specifically, hypotheses 1, 2, 3 and 5 were tested using Simple Linear Regression Analysis and hypothesis 4 was tested using Pearson's Product Moment Correlation using Statistical Package for Social Sciences (**SPSS Version 23.0**).

Population of the Study

The population of the study consisted of 12 randomly selected manufacturing firms across the three senatorial zones in Rivers State out of 7,157 entire firms. The target population for the study was made up of one thousand three hundred and sixty (1360) employees of the top, middle and lower-level management staff from the selected manufacturing firms.

Table 1: The Selected Manufacturing Firms in Rivers State

S/NO	Firm	Sector	NO. of Staff
1	Boskel Nig Ltd	Cosmetics	147
2	Showers Ltd	Textile, Leather, Wearing Apparel, Carpet and Footwear	117
3	First Aluminium Nig Ltd	Non Metallic Mineral Products	160
4	Danlec Limited.	Electrical/Electronics	150
5	Grand Foods & Pharmaceutical Ltd	Pharmaceuticals	45
6	Keedak Nig Ltd.	Chemicals	105
7	Delta Plastic Ltd.	Domestic Plastics, Rubber and Foam	110
8	Almarine Limited	Basic metals, iron and steel, fabricated metal	90
9	Eastern Enamelware Factory Ltd	Basic metals, iron and steel, fabricated metal	83
10	PH Flour Mills Ltd	Food, Beverages and Tobacco	153
11	Crushed Rock Nig Ltd	Non-Metallic mineral products	108
12	Sun Flower Mfg Co Ltd	Domestic plastics, Rubber and Foam	92
	Total		1,360

Source: Manufacturers Association of Nigeria (MAN), 2023; and, Human Resource departments of the selected firms, (2023)

Sample Size Determination

The formula considered appropriate was the Stat Trek's Sample formula. The formula is given by:

$$n = \frac{z^2 pq + e^2}{e^2 + (z^2 pq/N)} \quad (\text{Trek, 2015; Bartlett, 2001})$$

n = sample size

z = desired confidence level 95% (1.96) from z-distribution table

p = proportion of the population likely to be included in the sample (70% or 0.7).

q = proportion of the population not likely to be included in the sample (30% or 0.3)

e = level of significance (assumed to be 5% or 0.05)

N = population size (established at 1,360).

Substituting in the formula, we obtain:

$$n = \frac{(1.96^2 \times 0.7 \times 0.3) + 0.05^2}{0.05^2 + (3.8416 \times 0.7 \times 0.3 / 1,360)}$$

$$n = \frac{(3.8416 \times 0.7 \times 0.3) + 0.0025}{0.0025 + (3.8416 \times 0.7 \times 0.3 / 1,360)}$$

$$\begin{aligned}
 &= \frac{0.806736 + 0.0025}{0.0025 + (0.806736/1,360)} \\
 &= \frac{0.809236}{0.0025 + 0.0005932} \\
 &= \frac{0.809236}{0.0030932} \\
 &= 261.6177 \\
 &= 262
 \end{aligned}$$

Sampling Technique

Proportionate stratified sampling method was adopted so as to give a proper representation to the firms. In order to get the quantity of questionnaire which will be distributed in each of the twelve selected firms, the sample size was broken down using Bowley's population allocation formula. Bowley's population allocation formula is stated below Using;

$$nh = \frac{nNh}{N}$$

nh = Number of units allocated to each category

Nh = Number of items in each group

n = sample size

N = the total population size under study

Thus

Boskel Nig Ltd

Number of units allocated to each category.

$$nh = \frac{262 \times 147}{1360} = 28$$

Showers Ltd

$$nh = \frac{262 \times 117}{1360} = 23$$

First Aluminium Nig Ltd

$$nh = \frac{262 \times 160}{1360} = 31$$

Danlec Limited

$$nh = \frac{262 \times 150}{1360} = 29$$

Grand Foods & Pharmaceutical Ltd

$$nh = \frac{262 \times 45}{1360} = 9$$

Keedak Nig Ltd

$$nh = \frac{262 \times 105}{1360} = 20$$

Delta Plastic Ltd

$$nh = \frac{262 \times 110}{1360} = 21$$

Almarine Limited

$$nh = \frac{262 \times 90}{1360} = 17$$

Eastern Enamelware Factory Ltd

$$nh = \frac{262 \times 83}{1360} = 16$$

PH Flour Mills Ltd

$$nh = \frac{262 \times 153}{1360} = 29$$

Crushed Rock Nig Ltd

$$nh = \frac{262 \times 108}{1360} = 21$$

Sun Flower Mfg Co Ltd

$$nh = \frac{262 \times 92}{1360} = 18$$

Twelve Manufacturing firms' total sample size
 = 28+23+31+29+9+20+21+17+16+29+21+18 = 262

Table 2: Break down of the Sample Size

S/NO	Firm	Population	Questionnaire
1	Boskel Nig Ltd	147	28
2	Showers Ltd	117	23
3	First Aluminium Nig Ltd	160	31
4	Danlec Limited.	150	29
5	Grand Foods & Pharmaceutical Ltd	45	9
6	Keedak Nig Ltd.	105	20
7	Delta Plastic Ltd.	110	21
8	Almarine Limited	90	17
9	Eastern Enamelware Factory Ltd	83	16
10	PH Flour Mills Ltd	153	29
11	Crushed Rock Nig Ltd	108	21
12	Sun Flower Mfg Co Ltd	92	18
	Total	1,360	262

Source: Human Resource Department of Organisations of Study, 2023

Table 3: Distribution and Return of Questionnaire

Organization	No Distributed	%	No Returned	%	No not Returned	%
Boskel Nig Ltd	28	10.69	27	10.31	1	0.38
Showers Ltd	23	8.78	20	7.63	3	1.15
First Aluminium Nig Ltd	31	11.83	31	11.83	0	0
Danlec Limited.	29	11.07	28	10.69	1	0.38
Grand Foods & Pharmaceutical Ltd	9	3.44	9	3.44	0	0

Keedak Nig Ltd.	20	7.63	18	6.87	2	0.76
Delta Plastic Ltd.	21	8.02	19	7.25	3	1.15
Almarine Limited	17	6.49	16	6.11	1	0.38
Eastern Enamelware Factory Ltd	16	6.11	16	6.11	0	0
PH Flour Mills Ltd	29	11.07	27	10.31	2	0.76
Crushed Rock Nig Ltd	21	8.02	19	7.25	2	0.76
Sun Flower Mfg Co Ltd	18	6.87	18	6.87	0	0
Total	262	100	247	94.67	15	5.72

Source: Field Survey, 2023

This shows that out of 262 (100%) questionnaires distributed, 247 (94.67%) were returned while 15 (5.72%) were not returned. The analyses were therefore based on the 247 copies of questionnaire that were returned.

Hypothesis One

H₀: Gender diversity does not significantly promote peaceful working atmosphere.

H₁: Gender diversity significantly promotes peaceful working atmosphere.

Descriptive Statistics

	Mean	Std. Deviation	N
Gender diversity	3.3779	1.35272	247
Peaceful working atmosphere	1.9122	1.11586	247

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.756 ^a	.571	.569	.88774	.232

a. Predictors: (Constant), Gender diversity.

b. Dependent Variable: Peaceful working atmosphere.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.626	.109		14.923	.000
Gender diversity	.916	.049	.756	18.602	.000

a. Dependent Variable: Peaceful working atmosphere.

R = 0.756
R² = 0.571
F = 346.024
T = 14.923
DW = 0.232

Interpretation

The descriptive statistics shows that Gender diversity has a mean of 3.38 ± 1.35 while peaceful working atmosphere has a mean of 1.91 ± 1.12 . This implies that there is about the same variability of data points between the dependent and independent variables as there is no much difference in standard deviation values, in terms of the standard deviation scores.

The R, the correlation coefficient with the value of .756, indicates that there is strong positive relationship between Gender diversity and peaceful working atmosphere in the manufacturing firms in Rivers State. The R square, the coefficient of determination, shows that 57.1% of the variation in peaceful working atmosphere in the manufacturing firms can be explained by Gender diversity. The remaining 42.9% is attributed to other factors. With the linear regression model, the error of estimate is low, with a value of about .88774. The Durbin Watson statistics of .232, which is not more than 2, indicates there is no autocorrelation. The regression sum of squares (272.692) is greater than the residual sum of squares (204.899), which indicates that more of the variation in the dependent variable is explained by the model; hence variation explained that the model is not due to chance. The significance value of (0.000) is less than 0.05, with t-value = 14.923 the model is significant. Therefore, the null hypothesis is rejected and the alternate hypothesis which state that Gender diversity significantly promotes peaceful working atmosphere in the manufacturing firms in Rivers State is therefore accepted at 5% level of significance.

Hypothesis Two

H₀: Age diversity does not have a significant positive effect on succession planning

H₁: Age diversity has a significant positive effect on succession planning.

Descriptive Statistics

	Mean	Std. Deviation	N
Age diversity	2.1794	1.42308	262
Succession planning	2.5840	1.44325	262

Model Summary^b

Model	R	R Square	Adjusted R Square	Error Estimate	Durbin-Watson
1	.874 ^a	.764	.763	.69265	.369

a. Predictors: (Constant), Age diversity

b. Dependent Variable: Succession Planning.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	5.048	.088		6.542	.588
¹ Age diversity	.862	.030	.874	29.012	.000

a. Dependent Variable: Succession Planning.

R = 0.874
R² = 0.764
F = 841.711
T = 6.542
DW = 0.369

Interpretation

The descriptive statistics of age diversity with a mean response of 2.18 ± 1.42 and succession planning with a mean response of 2.58 ± 1.44 implies that there is about the same variability of data points between the dependent and independent variables as there is no much difference in standard deviation values, in terms of the standard deviation scores.

R, the correlation coefficient with the value of .874, indicates that there is strong positive relationship between Age diversity and succession planning in the manufacturing firms in Rivers State. The R square, the coefficient of determination, shows that 76.4% of the variation in succession planning can be explained by Age diversity. With the linear regression model, the error of estimate is low, with a value of about .69265. The Durbin Watson statistics of .369, which is not more than 2, indicates there is no autocorrelation. The regression sum of squares (403.828) is greater than the residual sum of squares (124.740), which indicates that more of the variation in the dependent variable is explained by the model; hence variation explained by the model is not due to chance. The significance value of the P-value (0.000) is less than 0.05, with t-value = 6.542 indicating that the model is significant. Therefore, the null hypothesis is rejected and the alternate hypothesis which states that Age diversity has a significant effect on succession planning in the manufacturing firms in Rivers State is therefore accepted at 5% significant level.

Hypothesis Three

H₀: Ethnicity diversity does not have a significant positive effect on innovation.

H₁: Ethnicity diversity has a significant positive effect on innovation.

Descriptive Statistics

	Mean	Std. Deviation	N
Ethnicity diversity	1.8704	1.08922	247
Innovation.	2.5668	1.39780	247

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	.809 ^a	.655	.654	.64101	.602

a. Predictors: (Constant), Ethnicity.

b. Dependent Variable: Innovation.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.252	.085		2.946	.004
Ethnicity	.631	.029	.809	21.570	.000

a. Dependent Variable: Innovation.

R = 0.809

R² = 0.655

F = 465.286

T = 2.946

DW = 0.602

Interpretation

The descriptive statistics shows that ethnicity diversity has a mean of 1.87 ± 1.09 while innovation has a mean of 2.57 ± 1.40 . This implies that there is about the same variability of data points between the dependent and independent variables as there is no much difference in standard deviation values, in terms of the standard deviation scores.

R, the correlation coefficient with the value of .809, indicates that there is strong positive relationship between Ethnicity diversity and innovation in the manufacturing firms in Rivers State. The R square, the coefficient of determination, shows that 65.5% of the variation in innovation can be explained by Ethnicity diversity. With the linear regression model, the error of estimate is low, with a value of about .64101. The Durbin Watson statistics of .602, which is not more than 2, indicates there is no autocorrelation. The regression sum of squares (191.185) is greater than the residual sum of squares (100.670), which indicates that more of the variation in the dependent variable is explained by the model; hence variation explained by the model is not due to chance. The significance value of the P-value (0.000) is less than 0.05, and t-value = 2.946, showing that the model is significant. Therefore, the null hypothesis is rejected and the alternate hypothesis which states that Ethnicity diversity has significant positive effect on innovation in the manufacturing firms in Rivers State is therefore accepted at 5% significant level.

Hypothesis Four

H₀: Educational background diversity does not have a significant positive relationship with competition

H₁: Educational background diversity has a significant positive relationship with competition

Descriptive Statistics

	Mean	Std. Deviation	N
Educational background diversity.	1.7976	1.11872	247
Competition.	3.3846	1.45454	247

Correlations

		Educational background diversity.	Competition.
Educational background diversity.	Pearson Correlation	1	.658**
	Sig. (2-tailed)		.000
	N	247	247
Competition.	Pearson Correlation	.658**	1
	Sig. (2-tailed)	.000	
	N	247	247

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

Interpretation

The descriptive statistics of the educational background diversity with a mean response of 1.80 ± 1.12 and competition with a mean response of 3.38 ± 1.45 implies that there is about the same variability of data points between the dependent and independent variables as there is no much difference in standard deviation values, in terms of the standard deviation scores.

The Pearson Correlation Coefficient for Educational background diversity and organizational competition. The correlation coefficient shows .658. This value indicates that correlation is significant at 0.05 level (2tailed) and implies that there is a significant positive relationship between Educational background diversity and competition ($r = 0.658$; $p=0.000$, $n= 247$) Since p-value is less than 0.05, we reject the null hypothesis and conclude that Educational background diversity has a significant relationship with competition in the manufacturing firms in Rivers State ($r=0.658$; $p=0.000 < 0.05$).

Hypothesis Five

H_0 : Religion diversity has no significant positive effect on employee commitment.

H_1 : Religion diversity has a significant positive effect on employee commitment

Descriptive Statistics

	Mean	Std. Deviation	N
Religion diversity	2.4170	1.49803	247
Employee Commitment	2.4534	1.38108	247

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin-Watson
1	.514 ^a	.264	.261	1.28743	.231

a. Predictors: (Constant), Religion diversity.

b. Dependent Variable: Employee Commitment

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.785	.167		22.633	.000
1 Religion diversity	.558	.059	.514	9.384	.000

a. Dependent Variable: Employee Commitment

R = 0.514
R² = 0.264
F = 88.065
T = 22.633
DW = 0.231

Interpretation

The descriptive statistics of the Religion diversity with a mean response of 2.42 ± 1.50 and employee commitment with a mean response of 2.45 ± 1.38 implies that there is about the same variability of data points between the dependent and independent variables as there is no much difference in standard deviation values, in terms of the standard deviation scores.

R, the correlation coefficient with the value of .514, indicates that there is strong positive relationship between Religion diversity and employee's commitment in the manufacturing firms in Rivers State. The R square, the coefficient of determination, shows that 26.4% of the variation in employee's commitment can be explained by Religion diversity. With the linear regression model, the error of estimate is low, with a value of about 1.28743. The Durbin Watson statistics of .231, which is not more than 2, indicates there is no autocorrelation. The regression sum of squares (145.966) is less than the residual sum of squares (406.083), which indicates that more of the variation in the dependent variable is not explained by the model; hence variation explained that the model is due to chance. The significance value of the P-value (0.000) is less than 0.05, and t-value = 22.633, the model is significant. Therefore, the null hypothesis is rejected and the alternate hypothesis which states that Religion diversity has a significant positive effect on employee commitment in the manufacturing firms in Rivers State is therefore accepted at 5% level of significance.

Discussion of Results

Hypothesis one was tested using simple linear regression analysis to determine the extent to which gender promotes peaceful working atmosphere in the selected manufacturing firms. However, the result showed that to a large extent gender significantly promoted peaceful

working atmosphere in the selected manufacturing sector ($\beta=0.756$; $F= 346.042$; $t= 18.602$; $p= 0.001<0.05$). This work is in line with the study carried out by Akindele, (2011) which was on gender cultures in the Nigerian Banking Industry. Their findings revealed that if gender culture is reduced to the bare-rest minimum employee performance could be improved upon.

Hypothesis two was tested using simple linear regression analysis to assess the effect of age on succession planning in the selected manufacturing firms in Rivers State, the result showed that age had a positive significant effect on succession planning in the selected manufacturing firms in Rivers State ($\beta=0.874$; $F=841.711$; $t=29.012$; $p= 0.001<0.05$). This result is consistent with Winnie (2008), study on the effect of age groups on firm's performance. The result shows that youngsters who are at their learning stage are more willing to learn new things and accept new ideas. Older people who have more life experiences are more mature and possess better problem-solving skills. In addition, the researcher also stated that the western's findings suggested that the older and younger employees must come together to form coherent and viable corporate culture.

Hypothesis three was tested using simple linear regression analysis to investigate the effect of ethnicity on innovation in the manufacturing firms in Rivers State. The result showed that ethnicity had a positive significant effect on innovation in the selected manufacturing firms in Rivers State ($\beta=.809$; $F=465.286$; $p=0.000< 0.05$). Also, these findings are not in line with the study by Jackson and Joshi, (2003); Milliken and Martins, (1996); Benschop (2001) where they reported that ethnic diversity can have both advantages and disadvantages for organizations. Examples of disadvantages are communication problems, conflict, discrimination a lack of social cohesion in organizational work groups, and problems with reaching consensus. On the contrary, Opstal, (2009) stated that ethnic diversity increases creativity and innovation, better problem solving and larger pool of resources in the organization.

Hypothesis four was tested using person's product moment correlation to ascertain the nature of relationship between educational background and competition in selected manufacturing firms in Rivers State. The study revealed that educational background had a positive significant relationship with competition in the selected manufacturing firms in Rivers State ($r= 0.658$; $p=0.000< 0.05$). The study by Holland, (1997) supports this finding. Holland, (1997) noted that a person's educational background can be a significant indicator of his/her knowledge, skills, and capability. Furthermore, the choice of a specific education major may reflect one's cognitive strength and personality. In addition, Fredrickson (2001) mentioned that international experience and diverse educational background were positively related to firms' global, strategic postures among top management teams.

Hypothesis five was tested using simple linear regression to identify the effect of religion on employee commitment of the selected manufacturing firms in Rivers State. The result revealed that Religion diversity had a positive significant effect on employee commitment in the selected manufacturing firms in Rivers State as ($\beta = .514$; $F=88.065$; $t=9.384$; $p =$

0.001<0.05). This finding is in line with Skuturner (2006) who indicated that a key element of employee satisfaction and engagement is satisfaction with diversity, including religious diversity, which increases productivity.

Findings

1. Gender diversity significantly promoted peaceful working atmosphere in the manufacturing firms in Rivers State ($\beta=0.756$; $F=346.042$; $t=18.602$; $p=0.001<0.05$)
2. Age diversity had a positive significant effect on succession planning in the manufacturing firms in Rivers State ($\beta=0.874$; $F=841.711$; $t=29.012$; $p=0.001<0.05$)
3. Ethnicity diversity had a positive significant effect on innovation in the manufacturing firms in Rivers State ($\beta=.809$; $F=465.286$; $p=0.001<0.05$)
4. Educational background diversity had a positive relationship with competition in the manufacturing firms in Rivers State ($r=0.658$; $p=0.000<0.05$)
5. Religion diversity had a positive significant effect on employee commitment in the manufacturing firms in Rivers State ($\beta=.514$; $F=88.065$; $t=9.384$; $p=0.001<0.05$)

Conclusion

The emphasis on workforce diversity has grown tremendously over the years. However, organizations are beginning to realize how vital workforce diversity is for their progress and success, yet many organizations are not sure on how to achieve the goals of a diversified workforce. As the workforce is becoming increasingly diverse, so are the customers. Diverse workforce allows access to a greater pool of hiring the best “brains” (persons) and such organization is likely to be attuned to the diverse needs of the market. The study concluded that diversity management is crucial for the attainment and achievement of organizational goals and objectives. If management is not knowledgeable of the effect of workforce diversity on their operations, it will affect the performance of the organization negatively, but if workforce diversity is constructively managed, it will enhance the organizational effectiveness.

Recommendations

Based on the findings, the following recommendations were made

1. Organizations should eliminate inbuilt structure as an index of gender diversity culture and give due priority to equity and justice to reduce discriminatory behavior and improve performance.
2. Organizations should ensure there is an internal control system which will eliminate conflict due to age differences and ensure collective effectiveness.
3. Organizations should develop human resource models that will foster compatibility and cooperation irrespective of the different ethnic groups.
4. Organizations should implement educational diversity initiatives in efforts to motivate and encourage individuals to work together effectively to achieve organizational goals.
5. Organizations should minimize the perception of religious discrimination in the workplace to strengthen employee commitment and engagement.

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5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

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IMPACT OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) ON INSTRUCTIONAL SERVICE DELIVERY IN SENIOR SECONDARY SCHOOLS OF BAUCHI STATE

¹Fatima Adamu Hussaini ²Naziru Muh'd Musalli & ³Yusuf Abdu Yusuf

^{1,2&3}Department of Public Administration, Faculty of Management Science Bauchi State University
Gadua Yuli Campus Bauchi

Abstract

The introduction of information and communication technology (ICT) especially the internet has brought immense changes in the world and more in communication technology. While, educational institutions are under increasing pressure to use the new information and communication technologies (ICTs) to teach students the knowledge and skills they need in the 21st century. This study determined the influence of information and communication technology (ICT) on instructional services delivery in secondary schools of Bauchi state. The study adopted quantitative research method and employed stratified and simple random sampling technique in dividing the three senatorial districts and administering the questionnaires to the selected secondary schools in Bauchi, while unified theory of acceptance and use of technology (UTAUT) and Technology Acceptance Model (TAM) were used in the study. The statistic finding shows that there is need for significant influence of ICT on instructional service delivery in secondary school of Bauchi State. The study concluded that acceptance of technological advancement in the process of learning and teaching in secondary school of Bauchi State will have a significant impact on the student performance and teaching approach. The study recommended that government should support and collaborate with non-governmental organization in providing ICT instructional materials to all secondary schools in Bauchi state which will enhance effective interaction for learning and teaching performance through the use of digital technologies.

Keywords: Information and Communication Technology (ICT), Instructional Service Delivery, Secondary Schools.

Background to the Study

The knowledge of information and communication technology (ICT) usage improves human capacity in every field of human endeavor such as business transactions, industrial operations, educational programs and activities and in all aspects of life in general. ICT is an umbrella term that includes any communication devices or application encompassing: radio, cellular phones, hardware and software, computer and network, satellite etc. These can be used to enhance and support distance learning (Oye & Iahad, 2014). Therefore, in education, ICT is considered to be the application of digital equipment to all aspects of teaching and learning. ICT promotes national development and better relationship with other nations. ICT refers to the electronic and communication devices associated with human social materials that enable the individuals to use them for a whole range of instructional process. Information and communication technology facilities are described as all the equipment's available for the identification, generation, processing, storage, packaging, preservation, and conservation and sending of information, regardless of time and location challenges, in other words, Information and Communication Technologies are information handling tools used for producing, storing, processing, distributing and exchanging of information. ICT facilities influence and affect people and corporate work life in one way or the other.

Educational service delivery has to do with teaching/learning activities that take place in the classrooms. Service delivery in educational settings has been done through numerous means; from verbal communication to prints and use of instructional materials like pictures and charts. This mode of delivery has been variously viewed as not being able to meet the challenges of learning in a technology driven age (Tamah, Triwidayati & Utami, 2020). It means that instructional delivery is the process whereby the teacher (instructor) carefully selects the method and technique for handing down learning experiences to learners through appropriate mediums of communication. Effective instructional delivery embraces all human interactive skills employed by the teacher to promote/facilitate learning in the classroom situation thereby leading to improved performance on the part of the learner. It is a process in which teachers apply repertoire of instructional strategies to communicate and interact with the learners around academic content, and to support student engagement for better learning outcome (Dover & Rodriguez, 2022).

Ayo, (2022), made a combination of ICT in education for speedy transformation of teaching, learning and administration of education as a positive step in the right direction. For ICT to enhance teaching for secondary schools, particularly in the State, is through constant use of the above identified ICT tools by the teachers. However, the use of the above identified ICT components can enhance teaching and improve quality education by making the present time teaching student centered, making the retention and accumulation of knowledge.

Literature Review

According to (Adams Francis & Folasade, 2022), Information and Communication Technology have become within a very short time, one of the basic building blocks of modern society. Many countries now realized that mastering the basic skills and concepts of

ICT is part of the core of education, alongside reading, writing and numeracy. However, there is a misconception that ICTs generally refers to 'computers and computing related activities. This is fortunately not the case, although computers and their application play a significant role in modern information management, other technologies and/or systems also comprise of the phenomenon that is commonly regarded as ICTs. (Adams,2022) state that near the end of the 1980s, the term 'computers' was replaced by 'IT' (information technology) signifying a shift of focus from computing technology to the capacity to store and retrieve information. This was followed by the introduction of the term 'ICT' around 2012, when e-mail started to become available to the general public (Pelgrum & Law, 2013).

Factors Affecting the Use of ICT on Instructional Service Delivery in Secondary Schools

Technologies like shared software, videoconferencing, digital imaging and editing facilities, video walls for image projection, and online-learning communities are used in schools that allow creating and disseminating knowledge more effectively (Kehinde, 2021). Furthermore, chat and instant messaging, virtual art gallery, and virtual museum are tremendous information sharing technologies used in schools. Live text is another new technology that allows teachers to put up content on a web page and enables online classes. Virtual learning systems are useful tools to store information digitally. Interactive whiteboards transform traditional black boards into an entirely different interactive teaching tool. (Rolton, Mackenzie, & Smith, 2022), describes mobile technologies, learning platforms, and virtual learning environments as information dissemination technologies, which are fast becoming central to whole range of tools that support school activities. In addition, students with special educational needs are also supported with specialist technologies such as speech recognition software and specialist peripherals. Learning platforms and e-portfolios provide a range of ICT based functions around communication and collaboration, content management, curriculum planning. The effective integration of ICT in education is a complex and multifaceted process. Therefore, in order to ensure that ICT is widely adopted and used in classrooms of secondary schools, the following practices should be taken into consideration. Successful implementation of ICT based teaching and learning depends largely on the positive interest of teachers, who eventually determine how they exploit and implement ICT based teaching in the classroom (Walia & Kumar, 2022).

Service Delivery and transparency

The preoccupation of many countries in recent time is how to reposition their public service for effective and efficient service delivery. Consequently, government of nations have taken it upon themselves to carry out various reforms in the public sector by redesigning the structures, systems and processes to improve the delivering of services to their citizens (Ishola, Abdulkareem, & Bello, 2021). The public service of any nation is an institution of governance and administration established essentially to deliver public good to the people in the most efficient and effective manner. The public service is therefore an influential public institution for service delivery and development (Osezua, Ehiane, & Sesa, 2021). The introduction of management ideas especially in the area of ICT into public sector also encourages good customer relation services. The advent and deployment of information

communication technology (ICT) in Nigerian public services presents opportunities for its use to facilitate effective service delivery as many countries have embraced it as a way forward. Proper service delivery is vital for the survival of a modern democracy or government and access to government information by citizens and organizations which is therefore a fundamental ingredient in effective service delivery. To this end, ICT is seen as a tool to support the work of governmental institutions and agencies with the objective of delivering public services and information in a more convenient, citizen centric and cost-effective manner.

Thus, in Nigerian public service, ICT can be an effective tool to ensure increased access to government services, improved value for money as well as increased productivity, transparency and better service delivery (Amadi, 2021). In Nigeria, the public service is a product of colonialism, initially established as an instrument for expediently implementing the administrative structure and activities of the British colonialist for exploitation and domination. It has since after independence in 1960 metamorphosed to a huge and complex system for harnessing the country's resources to facilitate economic development (Ugbong, 2021). In spite of the above discussion, one of the major challenges to public service in Nigeria is inability to deliver service to the people effectively and efficiently. Public service delivery in Nigeria has been described as poor, inefficient and ineffective, inconsistent with citizen preferences. It is often subject of ridicule because of its rigidity. These problems are mostly due to lack of accountability, transparency, high cost of administration, wastage and lack of commitment in making services work for the citizenry (Spoann, Fujiwara, Seng, & Lay, 2018). Arising from the above, the challenge of service delivery affects all citizens who demand quality services from public service. In recent years, the concept of e-governance has been flourished rapidly with the advancement of Information and Communication Technology (ICT). E-Governance would help to facilitate the government to manage resources, implement plans and policies along with efficient service delivery to the citizens. The world within the time has gone digital. Almost every aspect of life is digitalized (Obodo & Anigbata, 2018). Thus, there are modern trends in all aspects of life endeavors such as medicine-telemedicine, commerce-e-commerce, banking-e-banking, learning- e-learning, production-e-production, etc. These phenomena make transactions and interactions around the globe to be more effective and efficient. The world is now a global village and any nation that desires to hitch the comity of countries must adopt the worldwide trends and join the moving train or be left behind (Chandio, 2018).

There is no doubt that the challenges and complexities of service delivery are widening in the Nigerian public sector. It is against this background that this study examines information and communication technology (ICT) and the ways it has effectively impacted on public service delivery in Bauchi State Nigeria, with particular reference to secondary schools of Bauchi state. The main objective of this study is the influence of ICT in public service delivery.

A Conceptual Framework of Integration the influence of ICT on instructional service delivery

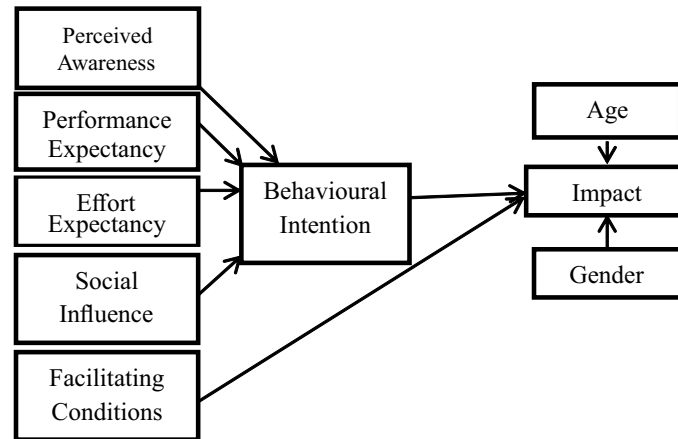


Figure 1: Revised UTAUT model 3.

Research Design

The research design for this study was on descriptive type of survey research. Which aim at eliciting responses from secondary school teachers/students with regard to the influence of ICT on instructional services delivery in secondary school of Bauchi.

Population of the study

The population for this study comprises 30 selected secondary schools within the three senatorial districts in Bauchi state, which made up of 600 students and 140 ICT class room teachers. The target population is all the selected secondary school teachers in Bauchi states and SS2 students of the selected schools.

Sample Size

Sampling is a procedure of selecting a smaller and manageable proportion of the accessible population and that simple random sampling represents the most basic statistical sampling technique (Izabayo & Njenga ,2022). Sampling of schools involved writing names of all schools on pieces of paper and putting them in three containers, the first one with a series of high performing ICT schools, the second one with average performing ICT schools and the third one with low performing ICT schools. The pieces were rolled into balls and thoroughly mixed. The pieces were then randomly drawn from each of the containers. This procedure was used because it provided an efficient mechanism for capturing the heterogeneity that existed in the target population (Kirim, 2021). Therefore, Simple random sampling was used to give each of the teachers and students an equal chance to respond and involved the use of a table of random numbers to select 140 teachers and 600 SS 2 students to respond.

Sampling Technique

To obtain statistically representative sample size of the population the following formula, table and graph were developed by national education association (1960). As follows:

$$s = \frac{X^2 NP(1-P)}{d^2 (N-1) + X^2 P(1-P)}.$$

s = required sample size.

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be 50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (05). Or use the following table as presented by (Krejci, 1970): cited by (Krejci, 2022).

The sample size was determined to be 103 for the teachers while 234 for the students. In designing any research sample, we need to bear in mind the *likely response rate*. Allowance needs to be made for non-responses to a survey, so that this can be added on to the required sample size. Therefore, the sample size obtained above has to be increase as follows:

need a minimum sample size of 100, and we only expect an 80% response rate, the initial sample size was made $100/0.8 = 125$ in order to allow for possible non-response. It is particularly important to make an allowance for non-response when planning a longitudinal survey, when the same individuals will be repeatedly contacted over a period of time, since cumulative non-response can result in the final wave of the survey being too small to analyze (Campbell, 2022).

Validity and Reliability of the instrument

The research instruments were validated by the project supervisor and two other lecturers each from the departments for scrutiny and further necessary suggestion for improvements. All the corrections given by the experts' validations had assisted the researcher significantly in modifying the instrument of the study.

Furthermore, 46 teachers from 12 secondary schools 4 from each senatorial zone in Bauchi that were not part of the main study were used for reliability test and a Cronbach Alpha method were used in determining the internal consistency of the variables used, below are the data collected from the pilot survey a Cronbach Alpha were tested to analyze the data. It had been found to be 0.947 which satisfy the test for Influence of ICT on instructional service delivery in secondary schools certificate of Bauchi state.

Scale: Influence of ICT on instructional service delivery in secondary schools of Bauchi state

Table 1: Reliability test
Case Processing Summary

	N	%
Valid	92	92.9
Excluded ^a	7	7.1
Total	99	100.0

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.947	.947	45

a. Listwise deletion based on all variables in the procedure.

However, the summary of items which determined the mean, Variance and standard deviation were analyzed statistically shown in appendix.

Procedure for Data Collection

Prior to the administration of the instrument, an official permission was requested from the management of the selected secondary schools in Bauchi state. The researcher- designed questionnaire was given to the selected participants to elicit their level of impact of the use ICT on instructional services delivery. There were research assistants requested by the researcher from the schools and all the 103 and that of 234 questionnaires distributed had reaches the selected schools to test both the students as well as the teachers and were retrieved intact, as each questionnaire given had retrieved on the spot with the help of the research assistants.

Method of Data Analysis

The two research questions were answered and was tested using descriptive statistic respectively. Descriptive and inferential statistics was used for this research. Descriptive statistics-frequency and percentages was used to describe respondent's personal profile. The data collected was analysed using the statistical package for social sciences (SPSS 23.0). The choice of this package is based on the fact that is the most popular program, offering a powerful, fast and reliable statistical analysis for quantitative data (Khan, 2022).SPSS provides a general and descriptive overview of a data through the frequency tables.

Result and Discussion

This chapter presents the findings of the study. The study collected views from teachers and students on the influence of information and communication technology (ICT) on instructional services delivery in secondary schools of Bauchi, where questionnaire was used for data collection. The questionnaires utilised the Likert response format and closed ended questions. The statements posed in the questionnaire are showing in the appendix; showing the levels of agreement or disagreement. As for the closed ended questions, respondents only to tick their opinions depending on their levels of understanding.

Measurement of Data Collected

In order to select the suitable technique of study, the level of measurement is to be studied. For each measurement type, there is (are) (an) appropriate method(s) that can be applied. In this research, ordinal scales were used. The ordinal scale is a ranking or a rating of data that normally uses integers in ascending or descending order. The numbers assigned (1, 2, 3, 4 and 5) neither indicate that the intervals between scales are not equal, nor do they indicate absolute quantities. They are merely numerical labels based on a Likert scale.

Table: 2: Ordinal Scale Used for Data Measurement.

Items	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Scale	5	4	3	2	1

Research Analysis and Discussion

Influence of ICT on instructional services delivery

This is the significant factors responsible for the use of ICTs facilities for instructional services delivery in senior secondary schools of Bauchi state.

Table: 3. Mean and Standard Deviation of the significant factors responsible for the use of ICTs facilities for instructional services delivery in secondary schools of Bauchi state are as follows;

Descriptive Statistics

Items	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis		Remark
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error	
Ensure the used of instructional material during ICT class	97	1.00	5.00	3.9691	.88334	-1.420	.245	2.863	.485	Agree
I can provide the require material in helping students to coordinate the use of ICT	97	1.00	5.00	3.8144	.89361	-1.322	.245	2.507	.485	Agree
Ensure handling the students according to their ability in handling the ICT gadgets with care	96	1.00	5.00	3.8958	.95674	-1.040	.246	.905	.488	Agree
There is a benefit to used ICT in the teaching students	97	1.00	5.00	4.1546	.78183	-1.081	.245	2.204	.485	Agree
The integration of ICT facilitated an improvement in learning	96	1.00	5.00	4.1771	.85833	-1.678	.246	4.291	.488	Agree
Monitoring and evaluating students' progress or keeping track of students performance	97	1.00	5.00	4.1031	.95180	-1.320	.245	2.019	.485	Agree
Understanding the ethical issues in accessing the use of digital information	97	1.00	5.00	4.0000	.93541	-1.481	.245	2.813	.485	Agree
I have resource necessary to carry out practical during ICT class	97	1.00	5.00	4.1134	.85240	-1.354	.245	2.814	.485	Agree
Ensure the students operate ICT themselves	96	1.00	5.00	4.2917	.70958	-1.391	.246	4.370	.488	Agree
The students have the right to asked questions.	97	1.00	5.00	4.2474	.77770	-1.686	.245	5.152	.485	Agree
Valid N (listwise)	94									

Perceived Awareness

This is the key element that motivates teachers to use the ICT in a learning environment it perceived the benefits of using ICTs facilities for instructional services delivery in secondary school of Bauchi.

Table: 4. Mean and Standard Deviation of the perceived benefit for the use of ICTs facilities for instructional services delivery in secondary schools of Bauchi state are as follows;

Descriptive Statistics

Items	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis		Remark
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error	
Developing understandings about the world - physical, social, biological, etc. (the content areas)	97	1.00	5.00	4.1546	.99310	-1.882	.245	4.001	.485	Agree
Ensure communicating the students with ease	97	1.00	5.00	4.2062	.72079	-1.525	.245	4.848	.485	Agree
Monitoring and evaluating students' progress by keeping track of students performance	97	2.00	5.00	4.1753	.77742	-.861	.245	.695	.485	Agree
Training on how to integrate technology within the content	97	1.00	5.00	4.0722	.76713	-1.114	.245	2.567	.485	Agree
Use of aids and resources	96	1.00	5.00	4.1250	.83666	-1.452	.246	3.340	.488	
Valid N (listwise)	96									

Performance Expectancy

It is known to reveal performance improvement when teachers implement new technology. PE is a key factor in explaining students' behaviour in recent instructional material delivery implementation. It also defines the factors responsible for the use of ICTs facilities for instructional service delivery in senior secondary schools of Bauchi state.

Table: 5. Mean and Standard Deviation of the significant factors responsible for the performance expectancy in the use of ICTs facilities for instructional services delivery in secondary schools of Bauchi state are as follows;

Descriptive Statistics

Items	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis		Remark
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error	
The use of ICT in schools are critical to its successful implementation Content Delivery. The use of ICTs in schools would help reduce the challenge of qualified teachers. Computer studies as a subject helps teachers to gain skills on teaching ICT helps in spread of information within and outside the administrative work Valid N (listwise)	96	1.00	5.00	4.0313	.82657	-1.544	.246	4.175	.488	Agree
	97	1.00	5.00	4.1031	.74281	1.258	.245	3.409	.485	Agree
	97	1.00	5.00	4.1546	.78183	-1.081	.245	2.204	.485	Agree
	97	1.00	5.00	4.0000	.93541	1.481	.245	2.813	.485	Agree
	97	1.00	5.00	4.1134	.85240	1.354	.245	2.814	.485	Agree
ICT teachers do not have enough experience in using computers. Schools are not interested in integrating ICT in curriculum Valid N (listwise)	97	1.00	5.00	3.9485	.88236	-1.013	.245	1.081	.485	
	97	1.00	5.00	4.1031	.85980	-1.407	.245	2.872	.485	
	97									

Results

This study examined the influence of ICT on instructional service delivery in senior secondary school of Bauchi State, Nigeria. Stratified sampling technique was used to divide Bauchi state into three senatorial districts. Two thirty-four questionnaires were administered randomly to the students of the selected schools as well as ninety seven questionnaires were administered to the teaching staff of the selected schools which were analyzed using Descriptive statistics. Findings show that there is significant effect of impact of ICT on instructional service delivery in senior secondary school of Bauchi State. The entire statistic outcomes suggest the positive significant effect of influence of ICT on instructional service delivery in secondary school. It is concluded that the adoption of ICT on instructional services in Secondary School of Bauchi State had significant impact on the performance of the students. ICT is a teaching approach that is characterized by being tailored to student's needs, which ultimately arouse students' interest and engagement in learning activities and improving their performance. If ICT is effectively used in secondary schools, it will improve learning and performance of the students. It is now recommended that government should provide ICT to all secondary schools in Bauchi state, and ICT should support collaboration and effective interaction for learning: The use of computer and digital technologies will be more productive when it supports collaboration and interaction, particularly collaborative use by learners and teachers to support discussion, interaction and feedback.

Conclusion

The empirical study of influence of ICT on instructional service delivery in secondary school certificate of Bauchi State, it was found that significance of ICT penetrated in to the roots of both staff and students' performance and achievement in public schools of the senatorial district of Bauchi state. In addition, it had also found that Information and Communications Technology (ICT) recently had created opportunities for the staff and Management to developed highly effective strategies for better service delivery. However, the situation of public schools in delivering effective service in Nigeria suggests that, if such windows of opportunities were not effectively utilized; thereby, reducing the efficiency of service delivery in secondary schools. Going by the circumstances in the country, it appears that the inability to make use of the opportunities created by these windows were linked to the problems ranging from lack of needed infrastructural facilities to inadequate infrastructures, skilled manpower and other developmental inadequacies.

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DIVIDEND POLICY AND FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

¹George Charisma, ²Resident C. F. Victor & ³Uka Ebi Mary

^{1,2&3}Accounting Department, School of Management Science,
Federal Polytechnic Ekowe, Bayelsa State, Nigeria

Abstract

This study examines the relationship between dividend policy and financial performance of Deposit Money Banks. The specific objectives are to examine the relationship between dividend payout ratio and financial performance, and to analyze the relationship between dividend yield and financial performance. Survey research design was adopted in this study and Secondary sources of data was used, through the extracted audited annual reports of 18 selected Deposit Money banks for the period of 2015 – 2019 listed in the Nigeria Stock Exchange. The data were analyzed using the Auto-Regressive Distributed Lag (ARDL) regression technique. The study revealed that financial performance is relevant in ascertaining dividend payout ratio. The study recommends amongst others that management team of deposit money banks should have a good and robust dividend policy in place to determine the percentage of dividend pay-out that would enhance financial performance in term of return on equity, and also invest quality time to increase dividend yield to improve its impact on financial performance of deposit money banks in Nigeria.

Keywords: Dividend Policy, Financial Performance, Earnings per share, Deposit Money Banks.

Background to the Study

dividend policy is listed as one of the top ten crucial unresolved issues in the world of finance in which no consensus has been reached - Olaleye et al., (2022). According to Amidu and Abor (2006) ascertained that dividend represents a distribution of earnings to the shareholders of a company, and it is the responsibility of the financial manager to ensure that equity and fairness prevails in the apportionment of any benefit to the various shareholders. Dividends are cash payments which are made to the shareholders against their investment in the business. These dividends can take the shape of cash dividends as well as stock dividends, depending on the firm policy. Dividend decision is one of the financial management decisions of a firm, and it is concerned about whether to retain dividend or pay out dividend to shareholders, and if dividend is to be retained, what amount (Monogbe & Ibrahim 2015). Dividend as a residual in line with some other school of thoughts believing that dividend payout is a function of financing decision. The investments opportunities should be financed by retained earnings were internal accrual forms line of financing growth and investment. A firm dividend policy is usually influenced by both internal and external factors. The internal factors which focus on firm specific attributes noted among the money deposit banks in Nigeria are management controllable factors which include bank size, profitability, liquidity, leverages. The external factors considered mostly in the firm include inflation rate, interest rate (this covers the exchange rate local and international), and the gross domestic products are known to be factors beyond management control and regulatory measures (Masdiah et. al., 2015)

Statement of the Problem

According to Amidu and Abor (2006), shows that dividend policy influences firm performance measured by its profitability. The results showed a positive and significant relationship between return on assets, return on equity, growth in sales and dividend policy. Howatt (2009) also stated that positive changes in dividends with positive future changes in earnings per share. However, Lie (2005), argues that there is limited evidence that firms that pay dividend experience successive performance improvements.

Haven reported by Arumah (2012), that some banks quoted in the Nigeria Stock Exchange have failed to meet the requirement of paying dividend on a yearly basis for a number of years, and also considering the fact that based on the statutory requirement of Companies and Allied Matters Act (CAMA, 1990) as amended, payment of dividend should be on the basis of net profit for the period.

Therefore, is it that the financial status of these organizations did not favour the payment of dividend during these periods? Is there any relationship existing between the financial performance and the dividend policies made by banks in Nigeria. The study therefore comes in to fill the void by establishing whether there is a relationship between dividend policy and financial performance among listed Deposit Money Banks in Nigeria.

Objectives of the Study

The general objective of this study is to examine the relationship between dividend policy

and financial performance of Deposit Money Banks. The specific objectives are; 1. To examine the relationship between dividend payout ratio and financial performance. 2. To analyze the relationship between dividend yield and financial performance.

Conceptual Review

According to Akimade (2016), dividend policy is the decision arrived by participants involved in the dividend decision process on how and when the amount or percentage will be allocated to shareholders as returns on their equity investment and the portion reserved for precautionary, speculative or transaction motives. Richard and Stewart (2003) noted the direct compensation and servicing of share capital involved in dividend paid to shareholders, adding that dividend policy is a trade-off between retained earnings and paying out cash as well as issuing new shares. Where there is no cash, a scrip issue or bonus share is given. Companies understand that most shareholders have a desire to receive dividends. However, company's decision regarding what to pay as dividend depends on a number of factors. These factors as proposed by Akinsulire (2006) are:

1. Legal requirement: Company law allow the payment of dividend only out of distributable profits that is; profits arising from the use of the company's property, even though it is a wasting asset; revenue reserves; realized profit on a fixed asset sold, but where more than one asset is sold, the net realized profit on the assets sold; calculated on conventional accounting principles. It is forbidden to distribute dividend out of capital (Section 379 –382 of CAMA).
2. Government regulation: Government, through some guidelines restricts the amount of dividend payable to shareholders by restricting dividend payment to a certain percentage of the profit after taxation. However, from 1988, dividend payment has been deregulated.
3. Statutory requirement: Some companies are required to transfer a given percentage of profit before tax (PBT)/profit after tax (PAT) to statutory reserves. For example, insurance companies; Life –10% of PBT or 1% of total premium whichever is higher; Nonlife –20% of PBT or 3% of total premium whichever is higher. Banks; 30% of PAT if statutory reserve is less than minimum paid up capital, 15% of PAT if statutory reserve is less than minimum paid up capital, 10% of PBT to SME reserve.
4. Liquidity consideration: Regardless of other considerations, a company will be unable to pay a dividend if cash is not available to do so. It may however, sometimes borrow for example, by bank overdraft, for this purpose.
5. Share valuation: It has become part of the stock market that investors favour a company if its dividends are basically stable over time. A gentle upward movement is to be desired but violent fluctuations in either direction are not. These factors often lead many companies to adopt a very cautious dividend policy.
6. Internal re-investment opportunities: If external finance is not available or only available by incurring significant transaction costs, then the payment of dividends may mean foregoing worthwhile investment opportunities. Dividend may have to be restricted to provide financing for such investments.

7. **Access to capital market:** A company can raise new debt or equity from the capital market if it is not liquid enough to pay its dividend. The greater companies access to capital market, the greater its ability to pay dividend.

Types of Dividend Policy

As identified by Oladipupo 2017 and Arora 2019, the following are the various types of dividend policies:

1. **Constant Payout Dividend Policy:** This is a policy where a constant percentage of earnings is paid as a dividend. For instance, a company could have a policy of paying out 15% of its earnings as dividends. With this policy, dividends fluctuate just as earnings do. Investor who seeks a particular level of dividend as a steady source of income will not be favoured by this policy.
2. **No Immediate Dividend Policy:** This policy is generally pursued when it is difficult for a company to access the capital market or when shareholders have agreed to go for future higher returns as opposed to a short-term dividend income. Arora 2019, stated that the policy of no dividend should be followed by the issuance of bonus shares in order to increase a firm's capital.
3. **Regular Dividend Policy:** This policy involves paying a regular steady dividend that is the most common dividend. With this policy, once a company begins with a particular level of dividend, shareholders can be sure of steady dividends as a source of income that can be sustained in the future if earnings grow at a steady rate. Management should try as much as possible to avoid cutting dividend. In other words, as dividends go up, the firm should make efforts to ensure that they do not go down. Oladipupo 2017, however, stated that if earnings dropped below the estimated dividend sustainable level consistently, the firm might eventually consider a cut in dividends.
4. **Irregular Dividend Policy:** Here, dividend per share varies with change in earnings level. There is no fixed amount of dividend per share. The higher the earnings, the higher the dividend, and vice-versa. Arora opined that shareholders were entitled to dividends only when there were earnings and the liquidity position of the firm was good.
5. **Multiple Increase Dividend Policy:** With this policy, a firm announces frequent but small dividend increase periodically just to give an impression of growth and movement. A firm that follows this policy believes that the stock market will consistently respond to a dividend increase.
6. **Regular plus Extra Dividend Policy:** Here, a firm pays extra dividends. The firm will divide its announced dividend into two portions: a regular dividend and an extra dividend. The regular dividend is paid at the announced level while the extra dividend is paid as circumstances permit.
7. **The Residual Dividend Policy:** This is a dividend policy whereby dividends are paid after all capital projects have been met. This policy requires the company to maintain a target project before making any dividend payment.

Financial Performance

The concept of financial performance is an appraisal measure of the level of organization's policies in yielding the desired financial objective in monetary terms. Adina (2015) opined that financial performance is a measure of a company and the managers of such establishment's performance and overall operational efficiency and its ability to optimally utilize the resources available to it. The performance of a DMBs could be used as yard stick to measure another DMBs in the same category in terms of size, capitalization and staff strength who operate in the same industry (Abdolazim, 2014). Basically, the financial performance of a DMBs could be a reflection of the trends in the banks return on assets, profitability, economic value added, return on equity, liquidity, solvency, riskiness of the bank and many others like how fast it concludes a loan facility request and ability to manage the loan facilities, the low level of non-performing loans (Arroyave, 2018; Faith & Agnes, 2015; El-Ansary, 2019; Fan & Yijun, 2014).

This explains that the Nigerian banking regulations requires a re-think and applied accordingly on a wider scale by the financial institutions. Epetimehin and Obafemi (2015), carried out a study to investigate effect of financial risk management on the financial development and economic value added and growth of some financial institutions in Nigeria. Financial performance can also be measured in terms of net earnings which are divided into two parts, that is, retained earnings and dividends. The retained earnings of the business may be reinvested and treated as a source of long-term funds. The dividend should be distributed to the shareholders in order to maximize their wealth as they have invested their money in the expectation of being made better off financially.

Theoretical Review

There are many theories relating to dividend policy and firm performance. Most financial management literatures growing in its interest suggest two schools of thought on dividend policy and these schools bring up arguments on the relevance and irrelevance of dividend policy.

Dividend Signaling Theory: In practice, change in a firm's dividend policy can be observed to have an effect on its share price. The change in dividend payment is to be interpreted as a signal to shareholders and investors about the future earnings prospects of the firm. Rise in dividend payment is viewed as positive signal conveying positive information about a firm's future earnings prospects resulting in an increase in share price while reduced individual payment is viewed as negative signal about future earnings prospects resulting in a decrease in share price.

A Catering Theory of Dividend: The theory has three basic ingredients. First, it posits a source of uninformed investor demand for firms that pay cash dividends, second, limits on arbitrary allow this demand to affect current share prices. Third, managers rationally weight the short run benefits of catering to the current mispricing against the long run costs and then make the dividend payment decision. The theory has predicted a model that focused on an empirical work that the propensity to pay dividend depend on a dividend premium or

sometimes discount in stock prices. Time variation in four proxies for dividend premium were used to test hypothesis the broadest was called dividend premium which was different between the average market to book ratio of dividend payers and non-payers while other measures are the difference in prices of citizens utilities (CU), cash dividend and stock dividend share classes according to this theory dividend premium, the CU dividend premium, and initiation effects are positively related to prevailing excess demand for payers while in contrast, the difference in future returns of payers and non-payers would be negatively related to this demand if demand for payers is currently so high that they are relatively over period their future returns will be relatively low.

Empirical Review

Velnampy et al. (2014), did a research work on dividend policy and firm performance with evidence from the manufacturing companies listed on the Colombo Stock Exchange. The drive for this research was to find out the correlation between dividend policy and firm performance of listed manufacturing companies in Sri Lanka. The analysis was for a period of 5 years, 2008 to 2012. Here, dividend payout and earnings per share were used as measures of dividend policy while, returns on equity and returns on assets were used as determinants of firm performance. Correlation, regression and descriptive statistics were used to test these variables. After the analyses were run, it was discovered that determinants of dividend policy are not correlated to the firm performance measures of the organization. Regression model showed that dividend policies do not affect companies' ROE and ROA.

Shrivastave, Kumar and Kumar (2018) posited that financial performance is the measure of how well a firm uses its assets to generate revenues. This definition is used as a general measure of a firm's overall financial soundness over a given period of time and can be used to compare similar firms in the same industry and across industry in aggregate. Financial performance measures are directed at reviewing the efficient and effective utilization of resources available to a firm aiming at maximizing returns of an organization as presented in financial statements. Similarly,

Methodology

The survey research design is used in this study. Secondary sources of data will be used for this study. Data will be extracted from the audited annual reports of the selected banks. The Nigeria Stock Exchange bulletin was also accessed to gather variables not captured by the financial statements of the selected banks. Audited financial statements of 18 banks listed on the central bank of Nigeria. The data will be reliable because annual reports undergo series of procedures before approval.

The data for these variables will be obtained from the annual report and financial statements of eighteen (18) deposit money banks in Nigeria for the period of 2016 – 2019.

Methods of Data Analysis

The data generated for this study will be analyzed with both descriptive and inferential statistics using the arithmetic mean, standard deviation, minimum and maximum values, and the Auto-Regressive Distributed Lag (ARDL) Regression technique.

Model Specifications

The model specification for this study is given in functional form as:

$$FP = f(DPO, DY) \text{----- (i)}$$

In econometric form, the model becomes:

$$\text{Where: } FP = \alpha_0 + \alpha_1 DPO_{it} + \alpha_2 DY_{it} + \epsilon_{it} \text{----- (ii)}$$

FP = Financial performance (return on equity)

DPO = Dividend payout ratio

DY = Dividend yield

= Regression Constant

= Regression Coefficient

= Stochastic term

In this study, our expectation is that effective dividend policy will bring about increase in financial performance of deposit money banks in Nigeria. Therefore, it is expected that $\beta_1, \beta_2, > 0$.

Presentation of results and Discussion of Findings

Values of DPO, DY and ROE of Deposit Money Banks in Nigeria

BANKS	DPO	DY	ROE
Access Bank	0.499	0.088	0.309
Citi Bank	0.165	0.013	0.143
Ecobank	0.994	0.981	0.59
Fidelity Bank	0.865	0.972	0.275
First Bank	0.149	0.002	0.097
First City Monument Bank	0.367	0.098	0.026
Guaranty Trust Bank	0.159	0.023	0.229
Heritage Bank	0.233	0.033	0.341
Mainstreet Bank	0.371	0.044	0.831
Polaris Bank Stanbic	0.712	0.099	0.954
Standard Chartered Bank	0.757	0.001	0.436
Sterling Bank	0.198	0.073	0.233
IBTC Bank	0.289	0.064	0.121
Union Bank	0.877	0.097	0.563
United Bank for Africa	0.173	0.066	0.229
Unity Bank	0.331	0.075	0.234
Wema Bank	0.317	0.072	0.436
Zenith Bank	0.770	0.038	0.299

Source: Computed from the Financial Statements of the Selected Bank

The descriptive statistics shows the description of the data in the study. The descriptive statistics describes the mean, median, mode, standard deviation and normality test. Table 7 shows the descriptive statistics of the variables of the various banks for the time period.

Descriptive Statistics

VARIABLES	ROE	DPO	DY
Mean	0.352556	0.457000	0.157722
Median	0.287000	0.349000	0.069000
Maximum	0.954000	0.994000	0.981000
Minimum	0.026000	0.149000	0.001000
Std. Dev.	0.247875	0.290236	0.299577
Skewness	1.072957	0.565040	2.420851
Kurtosis	3.462150	1.783085	6.974739
Jarque-Bera	3.613900	2.068472	29.43047
Probability	0.164154	0.355498	0.000000
Sum	6.346000	8.226000	2.839000
Sum Sq. Dev.	1.044510	1.432032	1.525692
Observations	18	18	18

Source: Author's computation using Eviews 10.0 Software

The descriptive statistics of the dependent and independent variables in the model are displayed in Table 7. From 2016 to 2020, the average value of ROE, DPO and DY are 0.352556, 0.457000 and 0.157722 respectively. These figures may be compared with the maximum values of ROE, DPO and DY which are 0.954000, 0.994000 and 0.981000 respectively. It can be concluded that the means of all the variables are significantly lower than its maximum values. Skewness is a measure of asymmetry of the distribution of series around its mean. The skewness of all the variables is above zero. It indicates a positive skewness. Thus, there is a right long-tailed distribution for the observation of each of the variables. The Kurtosis of a normal distribution is 6. Table 7 further shows that ROE, DPO and DY each have a Kurtosis of less than six, indicating that each of the distributions is platykurtic. The JarqueBera statistics of all the variables show that all the series are normally distributed since the JarqueBera probability values of ROE, DPO and DY which are 3.61, 2.07 and 29.43 are all greater than 0.05.

Test for hypothesis

In order to test the two null hypotheses in this study, the variables were tested using Autoregressive Distributed Lag (ARDL) model to determine the extent to which the independent variables (DPO and DY) influence the dependent variable (FP). The Autoregressive Distributed Lag (ARDL) model was used to examine the relationship between dividend policy and financial performance, and the result obtained are presented in Table below.

Effect of Dividend Policy on Financial Performance				
Variable	Coefficient	Std. Error	t-Statistic	Prob.*
ROE(-1)	1.132402	0.385706	2.935921	0.0607
ROE(-2)	1.268283	0.379639	3.340763	0.0444
ROE(-3)	-0.578005	0.213433	-2.708134	0.0733
ROE(-4)	0.635278	0.356415	1.782412	0.1727
DPO	-0.989252	0.427039	-2.316536	0.1034
DPO(-1)	-1.425584	0.400457	-3.559894	0.0378
DPO(-2)	-1.636374	0.389087	-4.205679	0.0245
DY	6.385277	1.476368	4.324990	0.0228
DY(-1)	0.722815	0.222983	3.241571	0.0478
DY(-2)	0.552040	0.322770	1.710321	0.1857
C	0.662444	0.130565	5.073686	0.0148

R-squared	0.968911	Mean dependent var	0.359214
Adjusted R-squared	0.865280	S.D. dependent var	0.268283
S.E. of regression	0.098471	Akaike info criterion	-1.76712
Sum squared resid	0.029090	Schwarz criterion	-1.265009
Log likelihood	23.36988	Hannan-Quinn criter.	-1.813605
F-statistic	9.349671	Durbin-Watson stat	2.057727
Prob(F-statistic)	0.045894		

Source: Researcher computation 2023 (Note: p-values and any subsequent tests do not account for model selection)

HO1: Dividend payout ratio does not significantly affect return on equity of deposit money banks in Nigeria. Table 8 above shows the Autoregressive Distributed Lag (ARDL) result for the study. According to the results, Dividend Payout Ratio (DPO) has a negative coefficient of -1.636374 which is significant with a p-value of 0.0245. The interpretation of the negative coefficients of DPO indicates that a decrease in DPO by a unit will lead to an increase in Return on Equity (ROE) holding every other thing constant. The value of the Adjusted R-Squared of 0.968911 implies that DPO and DY explained about 96.89% systematic variations in the dependent variable (ROE) over the observed years while the remaining 3.11% variations are explained by other determining variables outside the model. The F-statistic shows a significant probability value (0.045894).

HO2: Dividend yield does not significantly affect return on equity of deposit money banks in Nigeria. According to the Autoregressive Distributed Lag (ARDL) results in Table 8, dividend yield has a positive coefficient of 0.552040 which is insignificant with a p-value of 0.1857. The interpretation of the positive coefficients of DY indicates that an increase in DY by one unit will lead to 0.552040 unit increase in Return on Equity (ROE). Since the

probability value of dividend yield (DY) of 0.1857 is greater than the 5% level of significance, the null hypothesis is hereby accepted. This suggests that dividend yield does not significantly affect return on equity of deposit money banks in Nigeria.

Findings

Given the empirical result of the model, this study found that dividend pay-out ratio has a negative significant relationship with return on equity while dividend yield does not significantly affect return on equity of deposit money banks in Nigeria as also reported in Idewale and Murad (2017) that financial performance strongly and positively affects dividend payout ratio. It therefore shows that financial performance is relevant in ascertaining dividend payout ratio. Thus, in this case, dividend policy is relevant as asserted by Brigham (1995) and Kale and Noe (1990) as against that proposed by Miller and Modigliani (1961). Financial performance on the other hand, has a negative impact on dividend yield, which is also very insignificant. This study observed that return on equity was significant in determining dividend policy but when controlled for debt and size it was not significant and also that dividend yield was not significant in determining dividend of Deposit Money Banks quoted in the Nigeria Stock Exchange.

Recommendations

Based on the above findings and the conclusion drawn there from the following recommendations are made:

- i. Management of deposit money banks should have a good and robust dividend policy in place to determine the percentage of dividend pay-out that would enhance financial performance in term of return on equity.
- ii. Management of deposit money banks should invest more effort to increase dividend yield and improve its impact on financial performance (return on equity) of deposit money banks in Nigeria.

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LEADERSHIP AND DEVELOPMENTAL CHALLENGES IN AFRICA: EFFECTS ON ACCOUNTANTS IN PUBLIC AND PRIVATE SECTORS

Dr. Adigwe Pretty Dennis

Department of Accounting, Niger Delta University,
Wilberforce Island Bayelsa State

Abstract

Leadership and development challenges in Africa have profound implications for professionals across various sectors, including accountants in both the public and private spheres. This article explores the multifaceted obstacles that hinder effective leadership and sustainable development in the African context especially Nigeria and delves into their specific repercussions on accountants. Drawing on a comprehensive review of existing literature and empirical evidence, the article examines how political instability, inadequate infrastructure, and limited access to quality education impact leadership and development efforts. Furthermore, this study analyzes how these challenges intersect with the roles and responsibilities of accountants in public and private sectors, shaping their professional landscape. Africa's socio-economic landscape is marked by a complex interplay of leadership deficiencies and developmental hurdles, which subsequently affect the professional environment for accountants. This study utilizes historical research methods, which entail analyzing secondary information sourced from pertinent books, academic journals, online materials, magazines, and newspapers. The aim is to investigate the analysis of key scholarly articles and empirical studies, this review delves into the ways in which inadequate leadership and developmental obstacles manifest in African contexts and influence the roles, responsibilities, and experiences of accountants. The findings suggest a need for a comprehensive understanding of these challenges to devise effective strategies for enhancing the role of accountants in contributing to sustainable development.

Keywords: Leadership, Development, Accountants, Africa. Public sector

Background to the Study

The African continent has witnessed both opportunities and challenges in its pursuit of leadership and development. While progress has been made in various sectors, persistent obstacles such as political instability, inadequate infrastructure, and limited access to quality education continue to hinder sustainable growth. Research indicates that a leadership that embraces responsibility for overseeing public resources is essential for the progress of any country, and this holds true for Africa and Nigeria as well (Richardson 2008). This article focuses on the ways in which these challenges affect accountants, who play a crucial role in both public and private sectors, contributing to financial management, reporting, and decision-making. The continent's diverse cultural, economic, and political landscape has posed unique obstacles to progress and growth. This is true of Nigeria as well, as each culture and ethnic group is trying to fight for their own interest and wellbeing. This article delves into the impact of these challenges on accountants working in both the public and private sectors in Africa especially Nigeria. The role of effective leadership in navigating these challenges and promoting development will be explored, supported by relevant journal references.

The African Leadership and Development Landscape

Africa is a continent marked by its rich cultural diversity and great natural resources, but it also faces persistent leadership and developmental challenges. Issues such as corruption, political instability, inadequate infrastructure, and limited access to quality education have hindered progress across the region (Oyedijo, 2019). These challenges often exacerbate inequalities and impede economic growth. Accounting plays a crucial role in accomplishing developmental goals. For instance, it has the potential to improve both corporate and political governance by furnishing stakeholders, whether they are shareholders, employees, legislators, or members of the public, with information that is considered reliable, clear, and capable of being confirmed. The presence of strong financial records and thorough audits is frequently viewed as necessary to prevent corruption and the inappropriate utilization of public funds (Hopper et al., 2012).

Accountants in the public sector play a crucial role in ensuring transparency, accountability, and efficient resource allocation. However, leadership and developmental challenges can hamper their ability to fulfil these responsibilities. Weak governance structures and a lack of proper oversight can lead to mismanagement of public funds, hindering economic development and eroding public trust (Quattrone & Hopper, 2001). Again, accountants play a vital role in financial management and decision-making in the private sector. As a result, they need a stable and conducive environment to carry out their responsibilities effectively. However, inadequate infrastructure, political instability, and regulatory uncertainty can impact their ability to provide accurate financial information and contribute to informed business decisions (Kipkirong & Lagat, 2019).

The Role of Leadership in Addressing Challenges

Effective leadership is paramount in addressing both the leadership and developmental challenges faced by accountants in Nigeria and Africa at large. A strong and ethical

leadership can foster an environment of accountability, transparency, and collaboration. By setting the right tone at the top, leaders can inspire accountants to adhere to professional standards and contribute to the overall development of the organization and the nation (Olayinka & Awodiran, 2020).

Literature Review

Conceptual review

The concept of Leadership has been interpreted in numerous ways by various scholars, making it nearly impossible to formulate a single definition that satisfies scholars from different perspectives. Leadership has been described as an essential element within the realm of politics. It entails the ability of an individual or a collective group to instill confidence, resulting in respect and trust, allowing them to direct and manage their followers. Another perspective on leadership is that it involves a continuous process wherein an individual consistently wields more influence than others in guiding group behavior, as noted by Ogunmilade, Nwoko, and Akhigbe (2017).

Development involves enhancing the quality of human lives through three equally vital components. These components encompass the improvement of living standards, encompassing aspects like income, consumption, access to necessities like food, medical care, and education, achieved through relevant growth mechanisms. Additionally, it entails establishing an environment that fosters self-worth by implementing social, political, and economic systems and institutions that uphold human dignity and honor. Moreover, it encompasses expanding people's ability to make choices by broadening the range of options available to them. Consequently, development signifies the attainment of heightened self-respect and self-sufficiency. This implies empowering individuals with the ability to shape and govern their own future, extending beyond just building skills for socio-economic accomplishments, and encompassing the empowerment to influence and steer their trajectory (Okaneme, 2017).

Causes of Leadership and Development Challenges in Africa

Political instability: This is often characterized by inconsistent leadership, frequent changes in government, and corruption, creates an uncertain environment for businesses and public institutions. This directly impacts accountants, who must navigate complex financial landscapes where transparency and accountability are compromised (Mills, 2016).
Inadequate Infrastructure: Limited access to reliable infrastructure, including transportation, energy, and telecommunications, hampers economic growth and investment opportunities. Accountants are affected as they grapple with logistical challenges and increased costs, impacting financial planning and reporting accuracy (Kamoche et al., 2017).

Limited access to quality education, healthcare disparities, and high poverty rates, contribute to an unfavourable context for professional growth and advancement. These challenges exacerbate skill gaps and limit the potential for accountants to contribute effectively to economic development (Addy & Musah, 2018). Education and Human Capital

Development: Uneven access to quality education and professional training limits the pool of skilled accountants in Africa. This scarcity of skilled professionals affects both public and private sectors, resulting in compromised financial management and decision-making (Addy & Musah, 2018).

Effects on Accountants in Public and Private Sectors

The convergence of leadership and developmental challenges significantly affects accountants in both public and private sectors. In the public sector, corruption and mismanagement often lead to resource misallocation and financial irregularities, creating ethical dilemmas for accountants (Okafor, 2019). As a result, accountants face ethical dilemmas amidst corruption and resource mismanagement. They are tasked with maintaining financial integrity in an environment where transparency is often compromised, leading to challenges in accurate financial reporting and resource allocation (Okafor, 2019).

In the private sector, limited access to quality education and training due to developmental challenges can impede professional growth and hinder the capacity of accountants to address financial complexities (Leke et al., 2016). Accountants in the private sector often contend with a lack of investment in human capital and uneven regulatory environments. These obstacles impact their ability to provide accurate financial insights and contribute to strategic decision-making. **Professional Ethics and Integrity:** Leadership and developmental challenges can compromise the ethical and professional integrity of accountants. Ethical dilemmas arising from corrupt practices or inadequate regulations can erode public trust in financial systems and undermine the role of accountants as guardians of financial integrity (Obalola et al., 2017).

Mitigation Strategies

Efforts to address leadership and developmental challenges must involve multi-faceted approaches. Strengthening governance structures, promoting transparency, and investing in education and skills development are essential steps to create an enabling environment for accountants to thrive (Otusanya & Lauwo, 2019).

Collaborative Efforts for Transparent Governance: Governments, international organizations, and local communities must collaborate to promote transparent and accountable governance. Strengthening institutions and implementing effective anti-corruption measures can create an environment conducive to ethical financial practices. **Infrastructure Development and Investment:** Addressing infrastructure gaps requires concerted efforts to attract domestic and foreign investment. Improved infrastructure can streamline financial operations, reducing costs and enhancing the accuracy of financial reporting. **Enhancing Professional Education and Ethics:** Professional organizations and regulatory bodies should prioritize continuous education and training for accountants. Emphasizing ethical conduct and best practices can elevate the role of accountants in shaping financial decisions.

Developing Leadership Skills Among Accountants

To navigate the challenges effectively, accountants need to develop leadership skills beyond their technical expertise. Leadership training and professional development programs can equip them with the necessary skills to thrive in dynamic and complex environments. These programs can enhance communication, strategic thinking, and decision-making abilities, enabling accountants to take on leadership roles and drive positive change (Hancock et al., 2018).

Theoretical review

A variety of leadership theories are present in the body of literature. These encompass trait theories that underscore specific personal qualities and attributes as foundational to effective leadership, style theories that primarily focus on a leader's conduct in the workplace, contingency theories that highlight contextual elements encompassing employee traits, task nature, and organizational characteristics, and the distributed leadership theory, which accentuates actions rather than mere identity as the cornerstone of prosperous leadership. These theories contend that leadership holds significance across all tiers and should not be imposed externally but instead drawn from within individuals and groups within organizations (Serrat, 2009; Spillane, 2006; Johns and Saks, 2005). Numerous leadership theories can be found in literature, aiming to elucidate the qualities, outlook, nature, and conduct that a leader needs to display in order to attain improved outcomes, be it within an organization or on a national scale. These encompass a range of theories such as authentic, path-goal, inspirational, visionary, charismatic, transformational, transactional, complexity, distributing, contingency, trait, and situational leadership theories (Avolio et al., 2009).

Serrat (2009) suggests that the effective delegation of leadership within an organization's framework for improved performance is closely tied to establishing trust and accountability at both individual and group levels. Various leadership theories, despite their differences, share a common focus on achieving predetermined objectives. These objectives might encompass meeting the interests of an individual, a company, or even an entire nation. The theory of distributed leadership holds relevance in this context, as it underscores the value of recognizing the collective contributions of a network or group of interacting individuals toward an organization's advancement. This approach to leadership, which emphasizes acknowledgment and rewards based on collaborative efforts, is more likely to drive progress within the Nigerian banking sector compared to a personalized leadership style centered around an authoritative and all-knowing Chief Executive Officer.

Empirical Review

Okofu, Ali, and Ahmed (2011), in their research analyzed the economic, political, and legal systems, along with the institutional aspects that shape accounting and disclosure practices in Ghana. The study also explores the effects of the adoption of International Financial Reporting Standards (IFRS) on disclosure, following Ghana's recent complete adoption of these standards. The findings reveal that accounting and reporting practices are heavily impacted by factors such as legal, political, institutional, and economic conditions. The

regulatory environment is found to be lacking in effectiveness and efficiency, mainly due to inadequate monitoring and enforcement of compliance. Despite some recent advancements, there is a need to revise the Companies' Code, which serves as Ghana's corporate legal framework, in order to keep up with the evolving nature of global operations of accountants. Even though this study may have some limitations in terms of the country and size of population used for the study, this study has stated some of the factors inhibiting growth in the accounting profession.

Lassou, Hopper and Ntim (2021) in their paper, Accounting development in Africa, explored the functions of accounting in Africa spanning the realms of private enterprises, public institutions, and non-profit sectors, as well as the ways this function is restricted and undermined by the prevailing political and economic conditions on the continent. The authors found that the limitations and drawbacks associated with the development of accounting can be attributed to two main factors: (1) influences from external entities including international financial institutions, Western governments, global standard-setting bodies for accounting, Western accounting associations striving for worldwide expansion, and the prominent 'Big 4' accounting firms; and (2) local factors and situations such as domestic governments, inadequate regulatory frameworks, limited accounting capabilities, and pervasive networks of corruption. According to the authors, the challenges associated with accounting in Africa seem to stem not primarily from the technical aspects of accounting itself, but rather from how it is conceptualized, put into practice, and utilized to serve specific interests, often to the detriment of domestic social, economic, and institutional advancement.

Furthermore, Negasha, Lemmac, and Samkin, (2019), aim to study and recognize the elements that influence the production of accounting research in the developing region known as Anglophone Sub-Sahara Africa (Anglophone SSA). Employing the conceptual framework of institutional theory, the research employs a step-by-step investigative process involving an original survey and partially structured interviews. Four inquiries were formulated to accomplish the research objectives. The limited research output in this region is attributed to a variety of factors at the individual, departmental/university, national, and international levels. Among these, the factors associated with departments and universities seem to exert the most significant influence. The investigation also reveals that the elements constituting the regulatory (coercive) aspect, which supports research, are comparatively weaker in the universities of this region. Conversely, the elements constituting the normative and cultural-cognitive aspects, which tend to encourage teaching, appear to be more robust.

Gbervbie, Shodipo and Oviasogie (2013), in their paper the Leadership and Accountability: The Challenges of Development in Nigeria, found some of the factors affecting leadership and development in Nigeria. The research concludes that in order to improve the factors and the quality of life for Nigerians, it is essential to ensure strong adherence of government officials to regulations that control the handling of public funds, thus reducing corruption. Anekwe, (2020) in the paper, Leadership Challenges and Nigeria Development: The Issues

and Imperatives. The study states that the primary and pivotal obstacle faced by Nigeria is in the realm of leadership. Both the current and preceding leaders of Nigeria appear to have fallen short in offering effective guidance that can effectively tackle the myriad of issues that the nation is grappling with. These difficulties in leadership manifest in the instability seen in politics, society, and the economy, as well as the persistence of ethnic, communal, and religious conflicts that have plagued the socio-economic progress of Nigeria. The study concluded that in order to address the leadership difficulties plaguing the nation, Nigeria requires a form of ethical leadership characterized by values such as respect, service, justice, honesty, and community engagement. This type of leadership entails prioritizing fairness in all decision-making processes, even when balancing the needs of individuals with the greater welfare of the community they are responsible for.

These studies have centered their findings on the challenges facing Africa and Nigeria, which is the giant of Africa to be leadership. From the leadership challenge, the sub challenges also occur which are political instability, inadequate infrastructure, and limited access to quality education corruption and limited access to basic amenities. The studies have also proffer solution which is good leaders which ethics and conscience, once this is in place leadership and development would no longer be challenges in Africa. Theses leadership and development challenges faced by Africa has caused a lot of under development in many fields or professions which accounting is not exempted. Accountants need good leadership in order for them to function as expected.

Methodology

This paper employs historical research as its methodology. This involves analysing secondary data from sources like books, journals, the internet, magazines, and newspapers. The aim is to identify how inadequate leadership and a lack of accountability in managing public resources have hindered development in Nigeria. According to Osunde (1993), historical research is crucial for investigating, documenting, analysing, and interpreting events to provide plausible explanations. The subsequent part of the paper presents a theoretical perspective on leadership. This is followed by an overview of the correlation between accountability and development. Subsequently, a section delves into the challenges faced by accountants in their bid to development in Nigeria, especially related to deficient leadership and insufficient accountability in public resource management.

Conclusion

This study has explored the obstacles to Nigeria's and Africa's development caused by inadequate leadership, developmental obstacles, political instability, inadequate infrastructure, and limited access to education and a lack of responsibility when it comes to overseeing public resource management. It contends that the hindrances to progress in Nigeria and Africa at large originate from ineffective leadership across different tiers of government (federal, state, and local), which neglects the importance of proper accountability in handling resources both publicly and privately.

This literature review underscores the profound influence of leadership and developmental

challenges on accountants in Nigeria's public and private sectors. As key stakeholders in economic development, accountants' contributions are hindered by the interplay of inadequate leadership and developmental obstacles, political instability, inadequate infrastructure, and limited access to education intersect with the responsibilities of accountants, influencing their decision-making and ethical considerations. By addressing these challenges through collaborative governance, infrastructure development, and professional education, stakeholders can empower accountants to contribute effectively to Nigeria's and Africa's sustainable development which will in turn create a conducive environment for accountants to fulfil their roles effectively and contribute to sustainable development in Nigeria and Africa at large.

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5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

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EVALUATING DETESTABILITY OF ART PROGRAMME IN PUBLIC BASIC SCHOOLS FOR GOOD LEADERSHIP IN AFRICA: A CASE OF AWKA CENTRAL DISTRICT OF ANAMBRA STATE, NIGERIA

Iloekwe, Tina Chidi

Department of Fine and Applied Arts,
Federal College of Education, Okene, Kogi State

Abstract

The aim of this paper is for restructuring of Art programme in Nigeria from the grass root (Primary and Secondary levels) and revived, due to its magnificent importance skills to humanity especially in leadership for good governance that seems collapsing. Art in these levels of education have been facing so many challenges in Nigerian education system for decades especially wrong placement in the curriculum, non-teaching of Art programme by majority of the schools in Nigeria, lack of Art teachers, misconception and so on. Therefore, the study derived focus from selected primary schools in Awka central district of Anambra State, Nigeria. The study adopts descriptive survey design. Through multi-stage sampling technique, the population is drawn from four (400) hundred respondents which comprised of teachers and students. The researcher developed structured questionnaire titled (Examine Detestability of Art Programme in Nigerian Public Basic Schools Questionnaire, EDAPNPBSQ)) to collect relevant data for the study. Three research questions were posed and one hypothesis was tested in the study. The research questions were answered using mean and standard deviation, while the hypothesis was tested using t-test at .05 level of significant. Based on the findings most basic schools in Akwa central do not teach Art, lack Art teachers, face too short time period of 45minutes for teaching of Art, and so on. Recommendations was made and among others that Minister of education should endeavor to see that teaching of Art is made compulsory to all the Public Basic schools in Nigeria with sufficient time frame of 1hour 30 minutes a week for ideal practical method of teaching of Art.

Keywords: Art programme, Basic school, Education, Development, Good Leadership, Good Governance, Nigeria

Background to the Study

The world is full of challenges that required good leadership to address the situation for everlasting reliable solution. The ability to point out these challenges in the world and addressed them is very impressive step for good leadership. The acquisition of good leadership to address good governance among the leaders in Africa especially in Nigeria cannot be overlooked as this will give room to address ugly situations for good in the society. This is to say that to achieve good governance and leadership in Africa, there must be criterion expected of a leader and among others education must be on the top priority. As one of the strongest weapons for good governance, proper education programmes and its methods of teaching should be hold firm for sound knowledge. On the other hand, lack of sound knowledge is a bottleneck in addressing challenges by a good leader for good governance for sustainable development in the country. Nigeria as a giant of Africa is not exclusive from this statement. This is to say that every discipline of education in Nigeria should be properly equipped for promotion of high education standard for good leadership and governance in the country. Undoubtedly, all the programmes in Nigerian education system are not captured and fixed to the level and standard expected of them especially Art programme.

Art programme in basic (Primary and Secondary) level of education in Nigeria for decades have been facing challenges (lack of teachers, misconception, most schools do not offer art, etc) that seems impossible to address and if care is not taken may lead to gradual demise of the Art in these levels of education in Nigeria. It is worthy of note that critical thinking, skills, good quality and morals Art offers is better engulfed and rooted in an individual at the tender age of life. This will enable a child to grow deeper with the environmental norms and values that will mold him/her for good life especially for good leadership and governance for sustainable development in the country. Hence, any leader who does not meet up with basic criteria in education qualification needs to be disqualified in politics. Undoubtedly, such a leader will never be in position to address the global change in the present societal challenges and crises and achieved successful. Therefore, a country without sound education among the citizens will seemly not produce a credible leader that can handle critical societal issues facing humanity in the society. This is to say that the impact of education in leadership in Africa is very crucial and cannot be overlooked.

Hence, education in Art programme for good leadership position is very essential due to its skills knowledge that prepared an individual for good leadership position to face all kind of societal problems and challenges. Even on changing circumstances knowledge of Art skills will help a leader to face new situations and challenges and take quick decisions. On this note one may ask, who is a leader? Who is a good leader? What are the influences of Art on a good leader for achieving good governance? What is the possibility of achieving good governance through Art? This study therefore addresses the need for good leadership position through knowledge of Art skills from tender age of a child to adult by restructuring of Art programme with proper knowledge of skills and deep practical methods of teaching at this Basic level of education. The knowledge of skill from this level will not only sharpen a child with undiluted skills to live and rule but will also fill a child with skills to rule as a model

of emulation. Therefore, if such restructuring is done in Art programme in Nigeria at that level of education, will go a long way in molding a good leader with vision of addressing some critical issues and challenges in the society without the stress. It will also help to develop sound skill knowledge in Art for human sustainability among the individuals in Nigeria. Using the pupils and teachers from selected public Basic (primary and secondary) schools in Awka central districts of Anambra State, Nigeria as main focus, the study will assess the detestability of Art programmes in Public Basic schools in Awka central district of Anambra State, Nigeria which seems untouched by other researchers.

Statement of Problem

Art is power and light of a nation as well as engine for good leadership position for sustainable development of a country. Art encourages skills for emotional well-being, creativity, critical thinking and so on. The values of Art to the society cannot be over emphasized. Unfortunately, misconceptions associated with Art seemly generate wrong ideas that distracted people from studying Art. Secondly, wrong placement of Art subject (Cultural and Creative Arts) in the curriculum as well as 45 minutes period of teaching never encouraging in studying Art at Basic level of education in Nigeria, just to mention but few. In primary level of education in Nigeria, observation confirmed so many lapses that could lead to gradual demise of Art in Nigerian education system. Though in the curriculum Art is there, but not well placed in the curriculum and taught in the majority of Nigerian basic (primary and secondary) schools. Some basic schools that teach Art also lacked qualified art teachers and some other challenges. This is not encouraging and if care is not taken may lead to demise of Art in Basic levels of education which will lead to collapse of Art in Nigerian education to all levels. This study calls for need of revival of Art in Basic schools (primary and secondary) of Nigerian education in order to catch them young and develop hidden skill they don't even know that they have. The skills are lifetime knowledge that will help them face human activities and responsibilities in the society, especially leadership position in the country which seemed collapsed. Although many researchers have delved into Art in so many dimensions, but no attempts seems to have been made to view the detestability of Art programme in this form in public basic schools in Awka central districts Anambra State, Nigeria for good leadership and governance for sustainable development in Africa, especially Nigeria.

Area of the Study

This study is concentrated among selected four public Basic (primary and secondary) schools each in Akwa central district of Anambra State of Nigeria. The study focus on discovering problems facing detestability of Art programme in Public Basic level of Nigerian schools and seek for total restructuring to promote study of Art programme in Africa especially in Nigeria for skill knowledge good leadership position in Nigeria as well as African countries at large for good governance for sustainable development in Africa. Meanwhile, Awka central district is in the East of Nigeria. The indigenous are well known for education and with the coming together of the strangers many great primary, secondary and tertiary schools were built in the area. Presently, the population of primary schools in is about 106 schools while secondary are about 27 schools. From these schools, four each was

selected from primaries and secondary for this study and the questionnaire is evenly distributed among the selected schools. Below is the table distribution.

Table Showing the Distribution of Number of Questionnaires used for selected Public Basic Schools

S/N	Primary Schools	Number of Respondent	Secondary Schools	Number of Respondent
1.	Primary A	50	Secondary A	50
2.	Primary B	50	Secondary B	50
3.	Primary C	50	Secondary C	50
4.	Primary D	50	Secondary D	50
	Total	200		200

Grand total of Questionnaire Distributed to the Schools =400

Objectives of the study

The objectives of this study are to:

- Examine the factors influencing the detestability of Art programme in Public Basic (primary and secondary) schools in Awka central districts of Anambra State, Nigeria
- Identify the valuable skills Art can offer to humanity.
- examine the influence of knowledge of Art skills on humanity (good leadership position) for good governance for sustainable development.

Research Questions

To guide this study the following research questions were put forward:

- What are the factors influencing the detestability of Art programme in Public Basic (primary and secondary) schools in Awka central districts of Anambra State, Nigeria?
- What are the valuable skills Art can offer to humanity?
- What are the influences of the values of knowledge of Art skills on humanity (a leadership position) for good governance for sustainable development?

Research Hypothesis

To answer the research questions above, the following hypotheses was put forward;

HO₁: There is no statistically significant factors influencing the detestability of Art programme in Public Basic (primary and secondary) schools in Awka central districts of Anambra State, Nigeria

HO₂: There are no statistically significant valuable skills Art can offer to humanity.

Ho₃: There are no statistically significant influences on the values of knowledge of Art skills for humanity (a leadership position) for good governance for sustainable development

Background of the study

Leadership is a thing of joy that evolved in any circle of life; family, organization, society, and

so on in order to achieve desired goal. Leadership occurs when there is a leader and follower. According to Kouzes and Posner (2022) leadership ceased to exist without these two elements: the leader and the follower. This is because Leadership is a process of individual influence on a group that aimed at the achievement of common goals of the group or organization (Benscotte and Rothwell, 2012). However, a leader is someone who has vision, who desires to build something and bring something new into the system (world). He is someone who has understanding and sympathy for others and forges ahead with strong connections with others and keeps everyone on the right path. This is to say that a good leader leads by example and tries to establish strong trusting relationships to his followers. In Africa countries, the reverse is the case, especially in Nigeria where leaders are more interested in their selfish interest. They do not care about their followers but care most about themselves and families. There is no orderliness, no check and balance in doing things. This can only be seen in the system where a leader could not identify his/her position as a leader. It can only be seen where the leader is not educated, nurtured and groomed with necessary qualities and skills for leadership position. However, a good leader who has zeal to lead goes extra miles to equip his/her with all it takes to be in leadership position. According to Anderson (2015) a good leader is one who has the confidence to stand alone, the courage to make good decisions, and the compassion to listen to the needs of others. He further expressed that such person does not set out to be a leader but becomes one by the equality of his actions and the integrity of his intent.

Art and leadership

Art and leadership have always been intertwined in Africa from ancient times. The structure is side-lined in such that no civilization can separate it. Based on the oral history, when the kings reigned supreme, art was used to enhance and fortify their rule. There were checks and balances that ensured fairness in the leadership through the knowledge of skills in Art (Goleman, 2000). These skills have great influence on a good leader for achieving good governance. This can be achieved by the leader's ability to identify the skills and proper application of the skills to achieve good governance. It should be on this notion that Eden (2022) is of view that Art is incredibly important, and its significance can be measured in many ways. Most of products and materials used in the homes, offices and environments are works of Art. In global world, art helps to shape cultures and builds a better understanding of mankind. In leadership, Art is filled with the communicative abilities that showcase creative skills for good leadership. This can be confidently achieved when the rightful skills are applied. On this note one can confidently ask, what are the qualities and skills a leader will develop to reach full potentials in leadership?

Art Skills for Good Leadership and Governance

Based on Varney (2023) the qualities of a good leader for good governance are seen as being

1. **Self-Awareness:** This entails being deeply involved on how things are done and send positive responses to every situation. Fully present and share attention/ feeling with his followers.
2. **Humility and Empathy:** A good leader should be able to advocate for others and puts the needs of others before his own.

3. **Accountability/Credibility:** a good leader should be truthful, trust worthy and accountable to his words. Hence, Kouzes and Posner (2022) are of opinion that credibility is one of the most important characteristics a good leader should have and gained popularity.
4. **A role Model:** A good leader is ever ready to set good example to others.
5. **Constant and Consistent:** A good leader should be able to and build good communication relationship with others.
6. **Adaptability:** A good should able to face constant changing environment. Adapt to new situations and challenges and making quick decisions based on changing circumstances in the environment.
7. **Vision:** A good should have good plans and strategic decisions that provide direction and guidance to achieve desired goals.

It is worthy of note here that any good leader is essential to succeed with any of the above qualities if knowledge of education is attached, but having deep knowledge of Art skills enhances. This is to say that good leadership can be developed and improved through consistent learning of Art skills. Skill is ability to think well or ability to use knowledge effectively. Leadership skill is the insight to perform successfully in any given assignment or position. Leaders with creative mind promote free exchange of new ideas; inspire innovation through critical thinking developed from creative Art skills. According to Indeed (2023) leadership skill is the strengths and abilities of individual's demonstration that help to oversee processes, guide initiatives and steer followers towards achieving successfully. Therefore, focusing on Art programme in Nigerian education will go a long way in promoting good leadership for good governance for sustainable development in the country.

Methodology

This research was conducted with selected eight Public Basic (4 primaries and 4 secondary) schools in Awka town at Awka central districts Anambra State, Nigeria. It adopted a descriptive survey research design. The population for this study comprised of staff and students (male and female) that are believed to have good understanding of the questionnaire and that give concrete information based on his/ her knowledge. Multi-stage sampling technique was employed to select four (400) hundred responded that were used for this study. A researcher-designed structure questionnaire titled (Evaluating Detestability of Art Programmme in Nigerian Public Basic Schools Questionnaire, EDAPNPBSQ) was developed to collect relevant data for this study. The EDAPNPBSQ is comprised of two major sections, Section A and B. Section "A" sought for demographic information of the respondents, while section "B" contains twenty-three items which respondents were to indicate their levels of acceptance on a five-liket point scale Strongly Agree (4), Agree (3), Undecided (0), Decided (2) and Strongly Decided (1). In distribution of questionnaire, simple convenience sampling technique of a face-to-face contact was adopted to administer copies of questionnaire to individual respondents. The researcher distributed the questionnaire with the help of two research assistants from each school. The research assistants were trained by the researcher by explaining the essence of the study, the essence of face-to-face contact distribution and formats in responding to the items in case of

questions from the respondents. The distribution of copies of the questionnaire was successfully done. The total of 400 questionnaires distributed was completely collected and used for analysis. Three research questions were posed and one hypothesis was tested in the study. The research questions were answered using mean and standard deviation, while the hypothesis was tested using t-test at .05 level of significant

Results

Table 1: Distribution of values of knowledge of Art skills in Public Basic Schools in terms of positive and negative influence

Number of Respondents	Influence of Values of knowledge of Art skills	
	Positive	Negative
400	300	100

Table 1 above shows the distribution of respondents in terms of values of knowledge of Art skills based on positive and negative influence. The total number of respondents is four hundred. Of this number 300 are selected for positive influence, while 100 are for negative influence.

Research Question 1: What are the factors influencing the detestability of Art programme in Public Basic (primary and secondary) Schools in Awka central districts of Anambra State, Nigeria?

To answer this question, each element will be considered to be sufficiently accepted if the mean ($\bar{X}$) ≥ 2.50 otherwise rejected or considered to be insufficiently acquired.

Table 2: Responses of the factors influencing the detestability of Art programme in Public Basic (primary and secondary) schools in Awka central district of Anambra State for humanity sustainability (n=400)

S/N	Likely Items	SA (4)	A (3)	UND (0)	D (2)	SD (1)	Mean (M)	Std Deviation (SD)	Decision (D)
1.	Most Basic public schools in Awka do not teach Art in the schools	250	130	0	15	05	3.53	1.87	Accepted
2.	Most Basic schools that taught Art lack qualified art teachers	180	150	0	45	25	3.21	1.79	Accepted
3.	Misconception in Art that is only drawing and painting, meant for males, illiterates and poor people demoralizes	98	202	0	60	40	2.88	1.69	Accepted
4.	Artist are not recognized in the society	170	150	0	32	48	3.1	1.76	Accepted
5.	Lack of patronage of Art products	160	180	0	35	25	3.18	1.78	Accepted
6.	Wrong placement of Art programme in the Curriculum (primary: cultural art, while Secondary: Creative & Cultural arts)	120	140	0	82	60	2.81	1.67	Accepted
7.	Insufficient time allocated (45 minutes a week)	130	180	0	50	30	2.97	1.72	Accepted
8.	Lack of Art materials and equipment	100	190	0	60	50	2.85	1.68	Accepted
9.	Lack of infrastructures for effective teaching and learning	180	195	0	20	05	3.37	1.83	Accepted
10.	Lack of interest among the citizens to study Art	170	165	0	15	50	3.13	1.76	Accepted

Decision rule: Rate each activity as accepted if the mean $\bar{X} \geq 2.50$, otherwise unaccepted.

Table 2 sought to determine the result of responses of likely items that define factors influencing the detestability of Art programme in Public Basic (primary and secondary) schools in Awka central districts of Anambra State for humanity sustainability and nation's development. From the look of responses, the high grades mean results show that Art programme in Basic Public schools in Awka central is highly influenced by unavoidable factors for teaching and learning of Art in the State.

Research Question 2: What are the valuable skills Art can offer to humanity?

Table 3: Responses on the valuable skills Art can offer to humanity (n = 400)

S/N	Items Statement	SA (4)	A (3)	UND (0)	D (2)	SD (1)	Mean (M)	Std Deviation (SD)	Decision (D)
1.	It helps to develop skills for self-reliance	250	70	0	20	60	3.27	1.80	Accepted
2.	It helps to develop skills for moral and cultural development	170	180	0	20	30	3.22	1.79	Accepted
3.	It helps to develop skills for leadership Position	190	160	0	150	35	3.93	1.98	Accepted
4.	It helps to develop knowledge of skills for environmental beautification	160	155	0	60	25	3.12	1.76	Accepted
5.	It helps to develop knowledge of skills on critical thinking and creative ability	180	140	0	30	50	3.1	1.76	Accepted

Decision rule: Rate each activity as accepted if the mean $\bar{X} \geq 2.50$, otherwise unaccepted.

Table 3 above sought to determine the result of responses that define the valuable skills knowledge of Art can offer to humanity for nation's sustainable development. From the look of the responses, the high grades mean results show that Art programme offers reliable skills for humanity sustainability for nation's development especially on good leadership position for good governance.

Research Question 3: What are the influences of the values of knowledge of Art skills on humanity (a leadership position) for good governance for sustainable development?

Table 4: Responses on the values of knowledge of Art skills in terms of influence

Responses on the values of knowledge of Art skills in terms of influence	Positive Influence (N= 300)							Negative Influence (N=100)						
	SA	A	UND	D	SD	M	SD	SA	A	UND	D	SD	M	SD
	(4)	(3)	(0)	(2)	(1)			(4)	(3)	(0)	(2)	(1)		
1. It provides skills for good plans and guidance for strategic decisions to achieve desired goals of life	170	95	0	10	25	3.36	1.83	13	20	0	37	30	2.16	1.46
2. It provides a good leader with skills on standard role model.														
3. It provide s a leader with skills to build constant communication relationship with others/followers.	100	150	0	30	20	3.1	1.76	20	17	0	30	33	2.24	1.49
4. It provides a leader with skills in taken quick decisions in challenging issues based on changing circumstances	200	75	0	10	15	3.53	1.87	18	7	0	40	25	2.28	1.50
5. It provides a leader with skills to keep to his/her words and build on cr edibility/accountability to others														
6. It provides a leader with skills of soft heart and being humble carry others a long	150	100	0	29	21	3.26	1.80	15	20	0	35	30	2.2	1.48
7. It provides a leader with skills for self-awareness; knowing thing and sharing with others in every situation														
8. It provides a leader with skills for creative mind to engage in innovation, to bring new things in the system.	160	105	0	20	15	3.36	1.83	15	16	0	30	39	2.07	1.34
Overall mean														

Table 4 above shows that the responses of teachers, pupils and students on the influences on the values of knowledge of Art skills on humanity sustainability (a leadership position). From the responses, the high grade of mean shows that knowledge of Art provides sufficient skills for humanity sustainability especially skills for good leadership position for good governance. The overall mean responses on the positive influence (N = 300) is 3.30 with a standard deviation of 2.53 while that of negative influence is (N = 100) is 2.18 with standard deviation of 0.57.

HO₃: There is no statistically significant influence of gender on the values of knowledge of Art skills on humanity for leadership position.

Table 5: t-test of significance of difference between the mean responses of positive and Negative influence on values of knowledge Art skills on human for leadership position

Variable	Group	Mean, X	Std.Dev	N	DF	t-cal	t-crit	Decision
Influence	Positive	3.30	2.53	300	398	0.43	1.96	Rejected
	Negative	2.18	0.57	100				

Decision Rule: Reject HO₃ if t-cal > t-crit., otherwise accept HO₃.

Table 5 presents the t-test of significance of difference between the mean responses of Positive and Negative influence of values of knowledge of Art skills for humanity position. From the table, the mean response of positive influence is 3.30 (N = 300, SD = 2.53 while that of Negative influence is 2.18 (N = 100, SD = 0.57). The t-calculated (0.43) is less than the critical value (1.96). Hence, HO is rejected showing that the knowledge of Art skills have a statistically significant influence on humanity for good leadership position for sustainable development.

Summary of Findings

The results of this study revealed the following:

Based on the results on Table 2 above, it is obvious that most Public Basic (primary and secondary) Schools in Awka Central District of Anambra State, Nigeria do not teach Art, while few of them that taught Art lack Art teachers. Misconception about Art has significance influence on pupils and student's interest or decision on the study Art, Wrong placement of Art in school curriculum and time framed of 45minutes affected teaching and learning of Art, lack of infrastructures and so on. All these factors undoubtedly will contribute greatly to detestability of Art in Public Basic Schools. The teaching and learning of Art as well as the interest of pupils and students in the society also affected people's interest on the study of Art. If these factors are ignored may lead to gradual fading away of the study of Art in Nigerian Basic schools.

Secondly, based on the findings on table 3 and 4 above, the mean results reveal that Art has some valuable skills for humanity and the skills have statistically significant influence on humanity sustainability especially on the area of good leadership for good governance.

Educational Implications of the Findings

The findings of this work have several implications for teaching and learning. First, non-teaching of Art in most Public Basic Schools, lack of qualified Art teachers and other factors mentioned in Table 2 above, their mean responses suggest that Art in Public Basic Schools is not really handled the way it should. This can course laxity on the side of teachers to teach the course to the best of their knowledge and lack of interest on the side of pupils and students to study the subject. Undoubtedly, this will course show down on the growth of Art in Nigeria.

Secondly, wrong placement in the curriculum (Primary: Cultural art and Secondary: Cultural and Creative Art) does not really helping the teaching and development of Art in Nigeria because Art as a practical oriented subject needs specialist to teach the subject on its own separate time. Based on the finding, in some cases anyone (Music/Art teacher) can teach the subject. This is not encouraging. More so, the time framed of 45minutes cannot give room for proper teaching of practical subject like Art in Public Basic schools. Therefore, with the result of the findings no system can handle Art this way will not have chances of producing half-baked grandaunts in the system.

Thirdly, Art is subject that helps to develop different skills in a child and it is better introduced at the tender age when the zeal, spirit and interest are still there. In most cases, these pupils and students may not know they have such hidden skills in them and if they are not given attention, these hidden skills will gradually demise in them and the desired skills for humanity especially on good leadership may not be developed for good governance. Although may be there but may not properly developed and adequately used. This will seriously affect the expected skills desired for humanity sustainability for life.

Fourthly, with poor infrastructures in teaching and learning of Art in Public Basic system, teachers cannot sufficiently have conducive environment to do their teaching. On this note, pupils or students may be left at a disadvantaged position. Finally, the difference acquisition of skills among the pupils and students in Basic level of education tends to suggest that Art is abundantly filled with sufficient skill knowledge to humanity for life existence, and if abound to develop will affect the development of a country.

Contribution to Knowledge

The findings of this study have great contribution to the knowledge among the masses especially the growing youths as it will open their minds on the importance of Art in promotion of quality skills for humanity especially for good leadership position as well as rapid spread of cultural heritage worldwide through skill knowledge. Hence, the followings are confirmed:

1. **Clarification of misconception:** From the findings it is revealed that Art study is meant for male only, it is also meant for illiterate people in the society and skills acquired are not beyond skills for drawing and painting. More son, that Artist is not valued and Art works are not appreciated in Nigeria. Thus, misconception on Art discipline is tided. Without the level of clarification in this study, the problem of misconception on Art study wouldn't have been clarified. This will not only obstruct the level of understanding of values of Art to humanities, but will also obstruct understanding of skill knowledge of Art especially on good leadership position for sustainable development.
2. **Identification of Basic schools without Art teaching:** The findings helped to identify that majority of Public Basic schools in Awka Central district of Anambra State do not offer Art and also lack qualified Art teachers. This calls for serious need for employment of qualified Art teachers in Public Basic School. It is also calls for the need of restructuring of Art at that level of education in Nigeria especially to the

interest of the young youths that have more interest for foreign Art study.

3. **Promotion of Values of Art Skills:** Through this study the values of knowledge of Art skills are made known to generation and unborn. Hence, through this study, the youth of the present generation will be at great advantage of knowing various skills Art can offer and uphold them for humanity sustainability especially good leadership position for sustainable development.

Conclusion

From discussions so far, one should be made to understand that Art is the integral part of life and the contents reveal the artistic skill creation in man. Conclusively, it is hoped that this study would awaken the spirit of Government and interested members of the public on the value of Art to humanity and teamed up with the Government to see that grooming of the citizens in knowledge of Art skills starts from basic level of education in Nigerian system of education. More so, place Art programme as the first priority for development and ensure that Art is placed at its rightful position that will encourage ideal practical teaching of Art and rapid spread of knowledge of Art skills for humanity especially good leadership position for sustainable good governance that seemed lost in African system of government and Nigeria precisely.

Recommendations

The findings of this study and its contribution to skill knowledge create very good understanding of Art and its values to humanities especially good leadership; therefore, the following recommendations are made:

1. Going by the values of Art, considering the excessive values especially in nation's development, Minister of education should endeavor to see that teaching of Art is made compulsory to all the Public Basic Schools of Nigerian education and to all tertiary institutions in Nigeria. This will help to see that proper acquisition of knowledge of Art skills is deeply rooted among the citizens of Nigeria from tender age in order to prepare them for humanity sustainability in the country especially for leadership position for good governance for sustainable development in Africa especially Nigeria.
2. Findings show that in Public Basic schools of learning in Nigeria, Art teaching seems so boring due to theoretical method of teaching instead practical. Therefore, Minister of education and the head teachers should see that practical method of Art teaching is seriously maintained in Nigerian schools.
3. Since the acquisition of Art skills (especially leadership skills) can attribute immensely to good governance, Government should try and encourage learning of Art at Basic level of education by separating Creative and Cultural Art in the curriculum to be taught separately by professionals in the field. Secondly, change the period of 45 minutes of teaching of Art a week to one 1 hour 30 minutes a week. Government should also try and equipped the classrooms for good classroom delivery and for real practical teaching of Art to take place rather than theory method and take-home assignment that is common practice in Primary level of basic education in Nigeria. This will give ground for deeply rooted knowledge of Art

- skills among the young youth for good leadership and good governance in Nigeria.
4. Based on the result of the findings, Artist and Art products are not appreciated in the country, hence, the entire public should endeavor to appreciate Artist, accept Art products and patronize them. This will help in promoting the indigenous Art products in the country and encourage the youth to study Art in schools.

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FINANCIAL RISK MANAGEMENT STRATEGY

¹Irem Collins Okechukwu, ²Friday Ogbu Edeh & ³Duruzor Ifeoma Gloria

¹Department of Banking and Finance,

²Department of Research & Innovations

³Department of Accountancy

^{1&3}Alex Ekwueme Federal University, Ndufu-Alike, Ebonyi State, Nigeria

²College of Economics & Management

Kampala International University (Main Campus), Uganda

Abstract

Financial risk management strategy has been a major discourse amongst scholars and financial experts. This is based on the contention that organisation can hardly succeed without embarking on risk. Some of the significance of financial risk management include the prevention of financial leakages, strengthening formal decision-making, financial Stability, promoting regulatory compliance, increasing stakeholder confidence, and promoting innovation as well as corporate sustainability. Financial risk management strategies are cash reserves, asset or liability management, contingency funding plans, funds source diversification, and access to central bank facilities. This paper concludes that financial risk management strategies offer a thorough overview of the different kinds of financial risks that businesses face quite apart from methods and resources available to implement and mitigate the risks.

Keywords: Financial risk management, Risk, Credit Risk Management

Introduction

Risk is one of the basic categories in contemporary economic theory and practice (Ameniya, 2015). It has to do with the fact that the general characteristic that represents the uncertainty of economic events and processes can when realized, result in large losses rather than gains. The subject of uncertainty and risk is one of the primary focuses of contemporary microeconomic analysis due to its urgency and the necessity of rationalizing the actions of economic agents (Stroughair, 2019). Risk is assumed by economic entities that engage in entrepreneurial activity, such as households, businesses, governments, and enterprises. Their economic actions are carried out in an uncertain environment among actual social and

economic processes, a range of potential states and circumstances surrounding the implementation of the solution, and the potential future appearance of the economic entity. Jorion (2019) argues that, since uncertainty is an inherent aspect of the environment, risk is, thus, objectively, a necessary component of any economic decision. It is not always feasible to have full and precise knowledge of all the internal and external variables that might or might not show up at the time of decision-making in a time-remote context for the implementation of a solution. Reliable attainment of the objectives of the enterprise financial activity is made possible by the effective management of the financial risks associated with the enterprise (Bangia, 2019). This is a key component of the overall system of financial management. Thakor (2018) argues that the primary goals of financial risk management are to guard against potential declines in the market value of the company and to guarantee its financial stability as it develops.

Financial Risk Management

Financial risk management is the process of locating, evaluating, and reducing risks that can influence the economic performance of a business (Jorion, 2019). To control risk, a variety of techniques and instruments are used (McNeil et al., 2019). Risk management is a highly significant competency in business, human life, and company operations (Arnsdorf, 2012). A risky event could occur inside or outside and compromise goal achievement. Every risk is described in terms of likelihood and damage, and each has its sources and effects. An event that poses a risk to the company's objectives is called a risk. Because certain risks can be taken, some can be increased, and some can be avoided, the purpose of risk management should not be to reduce risks but rather to ensure that decisions are made with risks in mind (Jorion, 2019). The steps in the suggested risk management process are to monitor risks and identify, assess, create, and put into action risk mitigation strategies.

Importance of Financial Risk Management

Determining a company's financial requirements to meet its short- and long-term objectives is the focus of this branch of financial management. Shin (2010) suggests that Capital budgeting is a tool used by financial managers to assess if projects and/or investments are profitable and provide value to the company. According to McNeil et al. (2019), financial risk management is crucial for the reasons listed below:

- i. **Prevents Financial Losses:** By managing financial risks, companies can lessen their exposure to possible financial losses brought on by unfavorable changes in the market, credit defaults, liquidity issues, or operational blunders.
- ii. **Strengthens Decision Making:** Financial risk management offers insightful information that helps strengthen decision-making procedures by recognizing and measuring risks. It helps businesses to make well-informed decisions regarding finance, investing, and taking risks.
- iii. **Ensures Financial Stability:** A company's overall financial stability is influenced by effective risk management. Organizations may keep a solid financial position and stay out of financial difficulty by putting the right risk mitigation methods into place.

- iv. Promotes Regulatory Compliance: Financial risk management aids in an organization's adherence to norms and regulations. By ensuring that businesses adhere to legal and regulatory frameworks, it lowers the possibility of fines or other consequences.
- v. Increases Stakeholder Confidence: Organizations can gain the trust of their stakeholders by showcasing strong financial risk management procedures. It conveys to creditors, investors, and other interested parties that the company takes an active approach to risk management.
- vi. Promotes Growth and Innovation: Organizations can more confidently pursue growth opportunities and new projects when risks are managed well.

Historical Context and Evolution of Financial Risk Management

"The modern concepts and practices emerged in the 20th century, but the historical context and evolution of financial risk management can be traced back to ancient times" (Berkowitz, 2011). Berkowitz (2019) accentuates that traders and merchants utilized a variety of strategies to safeguard their assets and commodities against risks including market volatility, natural disasters, and theft in ancient civilizations. This is where the idea of risk management originated. Modern financial markets and institutions emerged because of the Industrial Revolution in the 18th and 19th centuries. The necessity of risk management techniques became increasingly clear as trade and commerce expanded. The creation of fundamental risk management instruments like insurance and hedging occurred in the early 20th century. These instruments assisted companies in safeguarding themselves against hazards like fire, robbery, and natural calamities. The 1930s Great Depression brought attention to the need for more advanced risk management techniques. Risk management tactics were reassessed in the wake of the stock market meltdown and the demise of numerous financial organizations.

Arnsdorf (2012) states that contemporary financial risk management ideas and methods emerged in the years following World War II. As a result of the research and quantification of numerous risks by economists and financial specialists, risk management models and procedures were developed. Financial risk management made great strides in the 1970s and 80s with the introduction of ideas like Value at Risk (VaR) and the Black-Scholes-Merton option pricing model. These innovations established the framework for contemporary risk management techniques. "Technological and financial innovation drove further advancements in financial risk management starting in the 1990s" (Ameniya, 2015). The Basel Accords, which established global guidelines for banking regulation, had a big influence on how risk management is done today. With advanced tools and strategies used to control a variety of hazards, financial risk management is becoming a crucial component of the financial sector. The necessity for organizations and institutions to safeguard themselves against a variety of hazards and the growing complexity of the financial markets are reflected in the history of financial risk management.

Types of Financial Risks

The following financial risks shall be discussed in this chapter

- i. Market risk,
- ii. Credit risk,
- iii. Liquidity risk, and
- iv. Operational risk

Market Risk Management

Market risk as defined by Bangia and Stroughair (2019), is the possibility of suffering a financial loss as a result of fluctuations in market prices and other variables including interest rates, currency rates, and commodity prices. For investors, financial institutions, and companies that are subject to changes in the financial markets, it is a major worry.

Sources of Market Risk

For risk management to be effective, it is essential to comprehend market risk and its sources. Consequently, the following sources of market risk were identified by Bangia and Stroughair (2019).

- i. **Equity Risk:** Investing in stocks or other equity instruments carries a certain amount of risk. It results from changes in stock prices brought on by variables like business performance, prevailing economic conditions, and market sentiment.
- ii. **Interest Rate Risk:** This refers to the possibility that shifts in interest rates will have an impact on the price of fixed-income instruments. For instance, bondholders experience capital losses when interest rates rise because their existing bonds lose value.
- iii. **Currency Risk:** Also referred to as exchange rate risk, currency risk is the possibility that shifts in international exchange rates will have an impact on the value of investments made in foreign currencies. Businesses and investors who conduct business or make investments abroad should be aware of this risk.
- iv. **Commodity Risk:** This refers to the danger that comes with making investments in goods like gold, oil, or agricultural products. Weather, geopolitical events, and the dynamics of supply and demand can all have an impact on commodity prices.
- v. **Volatility risk:** This refers to the risk arising from fluctuations in market pricing. Unpredictable price changes brought on by high volatility may put traders and investors at greater risk.
- vi. **Systematic Risk:** Also referred to as market risk, systematic risk is the risk that has an impact on the market as a whole or on a specific market sector. It is a part of the market and cannot be eliminated by diversification. Natural catastrophes, political developments, and economic downturns are a few examples.

Developing successful risk management techniques requires an understanding of various sources of market risk. Investors and companies can lessen the impact of market swings on their portfolios and operations by implementing appropriate hedging and diversification strategies after recognizing and measuring their exposures to market risk.

Quantitative Methods for Measuring Market Risk and Hedging Strategies

According to McNeil (2015) investors and financial institutions, risk management strategies heavily rely on quantitative techniques for assessing market risk. As per the findings of Alexander and Li (2014), Value at Risk (VaR) and Expected Shortfall (ES) are two often employed techniques.

Value at Risk (VaR)

According to Li (2014), Value at Risk is a statistical metric used to estimate the possible loss that an investment or portfolio of assets may experience at a particular confidence level and over a given time horizon. It estimates the greatest loss that could be anticipated from typical market moves using statistical models or historical data. Value at Risk (VaR) is a financial measure that is usually computed at a given confidence level (e.g., 95%, 99%) and for a given time horizon (e.g., one day, one week, and one month).

Expected Shortfall (ES):

Conditional Value at Risk (CVaR), another name for Expected Shortfall, is a risk metric that expresses the expected loss above the VaR threshold. In contrast to VaR, which estimates the maximum loss, ES estimates the average loss that would be sustained if losses surpass the VaR threshold. Because it accounts for the tail risk of the loss distribution, ES is regarded as a more conservative risk metric than VaR. Though they each have drawbacks, VaR and ES are useful instruments for assessing and controlling market risk, according to Alexander and Li (2014). For instance, VaR is based on historical data and makes the unavoidable assumption that market conditions in the future will resemble those in the past. Conversely, ES offers a more cautious estimate but necessitates more advanced modeling methods and data.

Credit Risk Management

As stated by Thakor and Cai (2018). The possibility of suffering financial loss if a borrower defaults on a loan or fails to fulfill contractual obligations is known as credit risk. Since it may affect financial institutions' profitability, liquidity, and general stability, it is a major worry. An outline of credit risk and how it affects financial firms may be found here. According to Thakor (2018), credit risk is the possibility that a counterparty or borrower won't fulfill its responsibilities, which would cause the lender or investment to suffer a financial loss. It encompasses the risk of non-payment or late payment in addition to the risk of default, which is the inability to repay principal or interest.

Types of Credit Risk

- i. Default risk: The possibility that a borrower won't fulfill their debt or loan obligations is known as default risk.
- ii. Concentration risk is the chance that a sizable percentage of a financial institution's loans are concentrated in the hands of a small number of borrowers or businesses, which makes defaults more significant.
- iii. Give credit Spread risk is the possibility that the interest rate differential between risk-free and other fixed-income assets will increase, which could have an impact on the securities.

Impact of Credit Risk on Financial Institutions:

Profitability: Loan losses and higher bad debt provisioning are two ways that credit risk can affect a financial institution's profitability.

Liquidity: A financial organization may encounter difficulties meeting its short-term obligations if it has a high rate of loan defaults.

Capital Adequacy: According to regulations, financial institutions have to keep a specific amount of capital on hand to cover any losses from credit risk. Greater capital reserves may be required in cases of significant credit risk.

Reputation: A financial institution may suffer from a loss of trust among stakeholders, including investors and depositors, because of a high degree of credit risk.

Credit Scoring Models

Conventional Credit Scoring: This approach evaluates borrowers' creditworthiness using statistical methods based on their credit history, income, work status, and amount of outstanding debt. It allots a credit score based on an estimation of default risk.

Machine Learning-Based Scoring: To estimate credit risk more precisely, these models employ sophisticated algorithms to examine a larger variety of data sources and characteristics. Non-traditional data, like spending trends, payment behavior, and social media activity, can be included.

Credit Risk Assessment Techniques

- i. **Credit analysis:** This is the process of determining a borrower's creditworthiness by examining financial records, credit reports, and other pertinent data. It evaluates elements including the ability to repay debt, stability of finances, and potential for growth.
- ii. **Cash Flow Analysis:** This method evaluates a borrower's capacity to produce enough cash flow to cover their debt payments. To ascertain repayment capacity, past and future cash flows are analyzed.
- iii. **Evaluation of Collateral:** Collateral reduces credit risk and is used to secure loans. This method entails evaluating the collateral's quality and value to ascertain if it will be sufficient to cover potential losses in the case of default.

Credit Risk Mitigation Strategies

- i. **Diversification:** Financial institutions can lessen the impact of credit risk by spreading their loan portfolios among various businesses, geographical areas, and borrower types.
- ii. **Financial products (credit derivatives):** These are used to shift credit risk from one party to another. Credit-linked notes and credit default swaps (CDS) are two examples.

- iii. **Securitization:** This is the process of combining loans or other debts and offering them to investors as securities. It assists in removing credit risk from the original institution.
- iv. **Credit Insurance:** To guard against losses from borrower defaults, financial institutions might get credit insurance. If there is a default, the insurance company pays the institution.

Liquidity Risk Management

Adrian and Shin (2010) define liquidity risk as the possibility that a financial organization or entity won't be able to pay its short-term debts when they're due without suffering intolerable losses. It can also be used to describe how hard it is to sell an item without significantly depreciating its worth.

Liquidity Risk Measurement and Monitoring Techniques

- i. **Liquidity Coverage Ratio (LCR):** LCR is a regulatory criterion that assesses a financial institution's capacity to use high-quality liquid assets to satisfy its short-term commitments. It is computed as the 30-day net cash outflow ratio to high-quality liquid assets.
- ii. The second regulatory criterion is the Net Stable Funding Ratio (NSFR), which evaluates a financial institution's funding sources' stability concerning its assets and off-balance-sheet exposures over one year.
- iii. **Stress Testing:** To evaluate the impact on a financial institution's liquidity status, stress testing entails simulating several unfavorable scenarios. It facilitates the identification of potential weak points and enables backup plans.
- iv. **Cash Flow Analysis:** To make sure a financial institution has enough liquidity to fulfill its responsibilities, cash flow analysis entails tracking cash inflows and outflows. It aids in managing liquidity risk and finding liquidity gaps.
- v. **Liquidity Risk measures:** Liquidity risk is measured and tracked using a variety of measures, including the liquidity coverage ratio, net stable funding ratio, and other liquidity ratios. These measurements aid in determining whether a financial institution's liquidity position is adequate.

Liquidity Risk Management Strategies

- i. **Cash Reserves:** One of the most important strategies for managing liquidity risk is keeping sufficient cash reserves. It guarantees that a financial organization possesses enough liquid assets to cover its immediate liabilities.
- ii. **Asset/Liability Management (ALM):** To make sure a financial organization has enough liquidity to satisfy its obligations, ALM entails managing the balance between its assets and liabilities. It involves tactics like matching the characteristics of assets and liabilities in terms of maturity and liquidity.
- iii. **Contingency Funding Plan (CFP):** A CFP is a document that describes how to obtain extra funding during difficult or turbulent financial circumstances. It contributes to a financial institution's ability to sustain liquidity in challenging conditions.

- iv. Funds Source Diversification: By lowering reliance on a single source of funds, diversification of funding sources lowers liquidity risk. To provide finance flexibility, it entails gaining access to a variety of funding markets and tools.
- v. Access to Central Bank Facilities: When there is a shortage of liquidity, financial institutions can get emergency funding through central bank facilities including discount windows and liquidity facilities. When other sources of cash could be costly or unavailable, these facilities offer a source of liquidity.

Financial institutions must measure, monitor, and manage liquidity risk effectively to preserve liquidity and financial stability (Shin, 2010). By putting these methods and tactics into practice, financial institutions can reduce the risk of liquidity problems and remain able to fulfill their obligations even under difficult market conditions.

Operational Risk Management

Operational risk in financial institutions is defined by Bekowitz (2011) as the risk of loss because of either external events or insufficient or unsuccessful internal procedures, people, and systems. It is one of the main hazards that financial institutions deal with and can originate from a variety of things, including fraud, technological malfunctions, human mistakes, and problems with legal and regulatory compliance. Financial organizations must comprehend operational risk to properly manage and reduce it.

Sources of Operational Risk

According to Bekowitz (2011), operational risk might originate from the following sources.

- i. Internal Factors: These comprise flaws or omissions in systems, processes, or staff conduct; examples include incorrect data entry, improper transaction processing, and non-compliance with protocols.
- ii. External Factors: These are uncontrollable occurrences like terrorist attacks, natural catastrophes, or modifications to laws that influence how the institution conducts business.

Impact of Operational Risk

Financial Losses: Errors, fraud, or interruptions in business operations can result in operational failures that cause financial losses.

- i. Reputational Damage: A financial institution's reputation may be harmed by operational mistakes, which could result in a decline in clientele and revenue.
- ii. Legal and Regulatory Repercussions: In the event of an operational failure, fines, penalties, and punishments may be imposed by law and regulation.
- iii. Business Disruption: Operational errors can cause a company's activities to be disrupted, which can result in lower profits and higher expenses.

Operational Risk Assessment

According to Bekowitz (2011), "Operational risk assessment involves identifying, analyzing, and evaluating the potential risks to an organization's operations." Usually, this procedure entails the following steps:

- i. Risk Identification: Determine possible operational risk sources, such as people, systems, internal processes, and external variables.
- ii. Risk Analysis: Evaluate each identified risk's likelihood and possible consequences. Both qualitative and quantitative methodologies can be applied to this.
- iii. Risk Assessment: Using the analysis as a guide, determine the overall level of risk. Determine which risks need to be mitigated and which ones are acceptable.

Operational Risk Mitigation Strategies

- i. Process Improvement: To lower the possibility of mistakes, breakdowns, and inefficiencies, continuously assess and enhance internal procedures.
- ii. Internal Controls: To reduce operational risks, put internal controls in place. This covers task segregation, frequent audits, and compliance oversight.
- iii. Training and Awareness: To help staff members comprehend operational hazards and how to reduce those, offer training and awareness initiatives.
- iv. Insurance: Purchase insurance policies that cover damages resulting from operational failures to transfer some operational risks to insurance providers.
- v. Outsourcing Risk Management: Make sure that risks related to outsourcing operations are correctly recognized, evaluated, and controlled using efficient vendor management procedures.

By using these tactics, financial institutions can reduce operational risks' possible influence on daily operations and handle them more skillfully.

Regulatory Framework for Risk Management

According to Amemiya (2015), the purpose of regulatory requirements for financial risk management is to protect the stability and soundness of markets and financial institutions. He claims that the Dodd-Frank Act is one of the major regulatory frameworks that has significantly impacted financial risk management:

Dodd-Frank Act:

In reaction to the 2008 financial crisis, the Dodd-Frank Wall Street Reform and Consumer Protection Act was passed. It brought in a plethora of regulatory changes designed to enhance the financial system's responsibility, transparency, and stability. The Financial Stability Oversight Council (FSOC) was created by Dodd-Frank to detect and keep an eye on systemic hazards inside the financial system. To shield customers from dishonest financial practices, it also established the Consumer Financial Protection Bureau (CFPB). Dodd-Frank established several risk management-related measures, such as the Volcker Rule, stricter prudential rules for big financial institutions, and mandates for stress testing.

For institutions, a crucial component of financial risk management is regulatory compliance. Meeting these needs, however, presents a few difficulties, such as:

- i. Complexity of Regulations: It can be difficult for institutions to maintain compliance with financial regulations since they are frequently complicated and susceptible to frequent modifications.

- ii. Interpretation and Implementation: Since regulations are subject to multiple interpretations, it can be difficult to apply them uniformly across departments and roles.
- iii. Cost of Compliance: Since following regulations frequently necessitates investing in systems, procedures, and staff, compliance can be expensive.
- iv. Resource Limitations: It's possible that small and medium-sized organizations don't have the knowledge and resources necessary to meet the demands of intricate regulations.
- v. Globalization: Organizations that operate in several jurisdictions must deal with the difficulty of adhering to laws that differ between nations and areas.
- vi. Technology and Data Management: To properly gather, store, and report data, organizations must frequently have strong technology and data management processes in place.

Institutions can use the following tactics to deal with these issues and guarantee that regulations are followed:

- i. Sturdy Compliance Program: To guarantee compliance with regulations, create and implement a thorough compliance program that consists of rules, processes, and controls.
- ii. Regular Monitoring and Reporting: Set up procedures, including as audits and reviews, for tracking and reporting on regulatory compliance.
- iii. Training and Awareness: Educate staff members on legal obligations and the value of adhering to them.
- iv. Risk Assessment: To identify and reduce compliance risks, regularly conduct risk assessments.
- v. Interaction with Regulators: Keep lines of communication open and honest with regulators to learn about upcoming changes and expectations.
- vi. Use of Technology: To expedite compliance procedures and lower the possibility of errors, make use of technological solutions such as regulatory reporting tools and compliance management systems.

Institutions can improve their capacity to comply with regulations and successfully manage financial risks by putting these methods into practice.

Emerging Trends in Financial Risk Management

Technological advances are revolutionizing risk management by providing new tools and ways to improve decision-making and reduce risks, according to Acharya (2013). Blockchain technology and artificial intelligence (AI) are two significant developments in risk management:

Artificial Intelligence (AI)

Machine Learning (ML): ML algorithms can analyze massive datasets to find patterns and trends, which can improve risk prediction and mitigation.

Natural Language Processing (NLP): NLP is able to extract insights related to risk management from unstructured data, such as news articles and social media.

Robotic Process Automation (RPA): RPA can free up human resources for more strategic risk management activities by automating repetitive chores like data entry and report preparation.

Blockchain Technology

Immutability and Transparency: Blockchain technology offers a decentralized, immutable ledger that securely records transactions, lowering the possibility of fraud and tampering (Shin, 2010). Self-executing contracts, or smart contracts, have the conditions of the contract explicitly encoded into the code. They can lower counterparty risk by automating and enforcing contractual obligations.

Future Outlooks for Financial Risk Management Practices

- i. Greater Integration of Machine Learning and AI: These two fields will remain important for risk management because they allow for more complex risk modeling and analysis.
- ii. Growth of Blockchain Applications: To lower operational risks, blockchain technology is anticipated to be applied more and more in fields like supply chain management, trade finance, and identity verification.
- iii. Pay Attention to Cybersecurity Risk: As financial services become increasingly digitally integrated, managing cybersecurity risk will become much more important, necessitating the use of cutting-edge tools and techniques to fend off cyberattacks.
- iv. Regulatory Technology (RegTech): As RegTech solutions use technology to assist financial institutions in meeting regulatory standards, they will proliferate and lower the risk of noncompliance.
- v. Enhanced Data Analytics: Financial institutions will be able to better analyze and manage risks thanks to advanced data analytics approaches including prescriptive and predictive analytics.
- vi. Agile Risk Management Practices: To keep up with the ever-evolving market and regulatory landscape, risk management techniques will need to become even more flexible and agile.

Conclusion

This chapter concludes by suggesting that financial risk management strategies offer a thorough overview of the different kinds of financial risks that businesses face as well as the methods and resources available to successfully manage and mitigate these risks. The essential ideas and best practices in risk management are covered in this chapter, covering everything from market risk to credit risk, liquidity risk, and operational risk. This chapter provides readers with the information and resources necessary to successfully negotiate the challenging terrain of financial risk management through a thorough analysis of regulatory requirements, technology advancements, and emerging trends. Organizations can improve their financial stability, guard against losses, and seize chances for expansion and innovation

by appreciating the value of risk management and putting strong risk management procedures into place.

In today's complex and demanding financial landscape, this chapter will also be an invaluable tool for risk managers, financial professionals, and students looking to expand their knowledge of financial risk management. It will enable you to make well-informed decisions and support the success and resilience of your company. To sum up, technological advancements are changing the financial risk management scene by providing fresh chances to enhance judgment, boost productivity, and reduce hazards. Financial institutions will probably have a competitive advantage in the changing risk management market if they adopt these advances.

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EDUCATION INVESTMENT AS A CATALYST FOR ECONOMIC GROWTH IN NIGERIA: AN ASSESSMENT OF GOVERNMENT EXPENDITURE

¹Nnanna P. Azu, ²John F.K Kwagga & ³Suraj Ibrahim

¹Department of Economics, Air Force Institute of Technology

^{2&3}Department of Business Administration, Air Force Institute of Technology Kaduna

Abstract

This study investigates the impact of government education expenditure on economic growth in Nigeria, utilizing an Autoregressive Distributed Lag (ARDL) model to analyse data from 1980 to 2022. The findings reveal that government education expenditure significantly influences economic growth, with a long-run coefficient of 2.35%, indicating that a 1% increase in education spending leads to a 2.35% rise in real GDP. In the short run, the coefficient is even higher at 3.03%, suggesting immediate benefits from increased educational investment. Additionally, the Granger causality test indicates a unidirectional relationship, where government education expenditure Granger-causes real GDP, but not vice versa. These results reject the null hypotheses that educational expenditure does not significantly affect economic growth. The study emphasizes the critical role of educational investments in fostering sustainable economic development and calls for enhanced government funding and strategic policies to improve educational outcomes in Nigeria.

Background to the Study

Education is widely recognized as a fundamental driver of economic growth, particularly through its role in human capital formation. By equipping individuals with knowledge and skills, education enhances labour productivity and builds a skilled workforce capable of driving economic progress (Maneejuk and Yamaka, 2020). In countries like Nigeria, where the economy grapples with challenges such as diversification and poverty alleviation, investment in education is crucial for fostering sustainable economic development. Education fosters critical thinking, innovation, and productivity, all necessary for the creation of wealth and the advancement of national prosperity. Moreover, a well-educated

population contributes to improved health outcomes, higher employment rates, and increased economic output (Ayeni and Omobude (2018).

In the Nigerian context, education's role in capacity building is pivotal for economic development. As highlighted by the Central Bank of Nigeria (2002), education equips individuals with the ability to understand, adapt, and reshape their environments, leading to healthier and more productive lives. This empowerment enhances the potential for economic growth, as an educated workforce is more likely to innovate and produce at higher rates (Chude & Chude, 2013). However, despite the recognized importance of education, Nigeria's educational system has faced numerous challenges, particularly concerning government funding. The system is plagued by underfunding, dilapidated infrastructure, underqualified teachers, and incomplete curricula, all of which hinder its ability to serve as a catalyst for economic development (Ojewumi and Oladimeji, 2016). Government expenditure on education is considered an investment in the nation's future; yet Nigeria consistently falls short in its commitment to this critical sector. The country's spending on education is significantly lower than the United Nations' recommendation of 26% of the national budget for developing countries (UNESCO, 2021). In comparison, countries like Ghana and Kenya allocate higher percentages of their budgets to education, leading to better outcomes in human capital development (Lawal & Wahab, 2011). Nigeria's low investment in education has had long-term consequences, including a poorly trained workforce, low productivity, and limited economic diversification (Babatunde, 2018). Furthermore, frequent strikes by educational unions, such as the Academic Staff Union of Universities (ASUU), exacerbate the challenges in the sector and negatively impact economic activities (Chandana, et al., 2024).

The focus of this study is to examine the extent to which government expenditure on education has contributed to Nigeria's economic growth from 1981 to 2022. This assessment is essential for understanding both the long-run and short-run impacts of educational spending and for identifying potential policy interventions that could address the issues of underfunding and inefficiency. Given the critical role that education plays in economic development, a thorough investigation of the relationship between educational expenditure and economic growth will provide valuable insights into how Nigeria can better allocate resources to achieve sustainable development (Elumah & Shobayo, 2017). This research aims to bridge the existing gaps in the literature concerning the nuances of educational spending and its specific impact on economic growth in Nigeria, particularly in the context of the diverse socio-economic factors influencing educational outcomes.

The significance of this study lies in its potential to inform policymakers and stakeholders in the education sector. By identifying the key relationships between government spending on education and economic growth, the research can contribute to the formulation of effective policies aimed at enhancing the quality of education and, subsequently, economic productivity. Understanding the dynamics of educational investment will also facilitate improved resource allocation, ensuring that funds are directed toward initiatives that yield

the highest returns in terms of human capital development and economic prosperity (Ayeni & Omobude, 2018). Ultimately, this research will add to the growing body of literature on education and economic growth, providing empirical evidence and recommendations for promoting sustainable economic development in Nigeria.

Literature Review

Economic growth refers to the sustained increase in the production of goods and services within an economy over a specific time period. It is typically measured by the rise in aggregate output and can be expressed in nominal or real terms, with real growth accounting for inflation. When divided by the population, it reflects per capita income, indicating improvements in individuals' economic well-being. Babatunde (2018) define it as a positive change in production capacity, often linked to higher living standards and increased societal welfare. Economic growth is distinguished from economic development, which also considers improvements in quality of life and structural changes.

Educational expenditure refers to the allocation of financial resources by the government toward the education sector, divided into recurrent and capital expenditures. Recurrent expenditure covers short-term costs such as salaries and operational expenses, while capital expenditure involves long-term investments in educational infrastructure and equipment. Both components together make up total expenditure, as reported by the Central Bank of Nigeria (CBN). Historically, recurrent expenditure has outpaced capital spending, largely due to the priority given to staff salaries. Investment in education, particularly through capital expenditure, is viewed as vital for human capital development and economic growth (Ayeni & Omobude, 2018).

Endogenous growth theory emphasizes that economic development is driven by internal factors within an economy, such as human capital, innovation, and knowledge, rather than external influences. This theory arose as a response to the limitations of the neoclassical growth model, which could not explain long-term economic growth. The endogenous growth model highlights the role of technology, education, and knowledge in influencing productivity and growth, providing a framework for understanding how education investments impact economic development. Unlike the Solow model, where technology is an external factor, the endogenous growth theory incorporates it as a key driver of growth (Romer, 1990; Lucas, 1988).

The empirical review highlights various studies examining the relationship between government expenditure—particularly in education—and economic growth in different contexts. Le and Tran, (2021) investigated Vietnam from 2006 to 2019, finding a two-way causal relationship between government education expenditure and economic growth, suggesting that effective resource management is crucial for promoting growth. Chandana et al. (2024) analysed Nigeria's government spending from 1970 to 2019, revealing that while capital expenditure positively impacts economic growth, recurrent expenditure does not. In their study, Arvin et al. (2021) focused on low-income and lower middle-income countries,

highlighting the interconnectedness of institutional quality, government expenditure, tax revenue, and economic growth, particularly emphasizing the importance of effective fiscal policies for sustained long-term growth.

Other studies, such as those by Maneejuk and Yamaka (2020), examined the nonlinear effects of higher education on economic growth in ASEAN-5 countries, concluding that both secondary and higher education enrolment positively influences economic growth, with specific enrolment thresholds enhancing this effect. Oanh et al. (2022) utilized a Bayesian approach to assess public expenditure in Vietnam's Southern Key Economic Zone, concluding that increased public spending correlates with economic growth, while private investments were less effective. Again, Zhang et al. (2021) explored the impact of public spending on green economic growth in Belt and Road Initiative countries, identifying a positive relationship between spending on research and development (R&D) and sustainable growth, although results varied significantly across different countries. Overall, these studies collectively underscore the critical role of government expenditure in driving economic growth while pointing to the need for effective policy implementation and management.

Moreover, Lingaraj, Pradeep, and Kalandi (2016) found a positive and significant impact of education expenditure on economic development in 14 Asian countries, indicating long-run equilibrium relationships and unidirectional causality from economic growth to educational spending. Babatunde (2018) highlighted the significance of government spending on education and infrastructure in Nigeria, revealing that while expenditures on transport and health positively impacted economic growth, spending on agriculture showed an inverse effect. Similarly, Ayeni and Omobude (2018) discovered that recurrent educational expenditure positively affected Nigeria's GDP, whereas capital expenditure was insignificant due to factors like policy mismatch and inadequate funding.

Additionally, Inimino, et al. (2017) found a statistically significant relationship between GDP and various educational variables, while Elumah and Shobayo, (2017) observed no significant effects of education expenditure on economic growth over 45 years. Ojewumi and Oladimeji (2016) reported negative impacts of both capital and recurrent educational expenditures on growth, attributing this to corruption in the education sector. Obi, et al., (2016) confirmed a positive influence of public education spending on educational outcomes, recommending increased government investment to enhance the education sector's effectiveness. Overall, these studies underline the importance of educational expenditure as a crucial factor in driving economic growth, while also highlighting the complexities and varying outcomes associated with different types of expenditure and the influence of governance and policy frameworks.

Based on the empirical review, several literature gaps emerge regarding the relationship between government education expenditure and economic growth, particularly in Nigeria. While studies like those by Le and Tran (2021) and Chandana et al. (2024) emphasize

effective resource management and differentiate between capital and recurrent expenditures, there is limited research addressing how Nigeria's unique socio-economic conditions influence these dynamics. This study identifies a significant long-run and short-run effect of educational expenditure on economic growth, contrasting with findings from Obi, et al., (2016), which reported negligible impacts. Furthermore, while existing literature highlights the significance of education at various levels, there is a gap in understanding the specific thresholds of educational expenditure that optimize economic growth in Nigeria. The findings indicate a unidirectional causality from educational expenditure to real GDP, differing from the two-way relationship observed in Vietnam, suggesting a need for further investigation into how educational policies and spending can be tailored to maximize economic growth while considering localized factors and expenditure types.

Methodology

The study employed an ex post facto research design, as it utilizes pre-existing data that cannot be modified through research. A quantitative research approach will be used to analyse the relationship between educational expenditure and economic growth. This design is appropriate for the study as it facilitates a thorough examination of the impact of educational spending on economic growth. An Annual Time series data over the period 1980 to 2022 will be used for the analysis in this study. All data to be used will be obtained from a secondary source, the World Bank's World Development Indicators database, and the Central Bank of Nigeria (CBN) statistical Bulletin 2023 and the World Bank.

Model Specification

Using the augmented Solow model by Mawkin, Romer and Weil (1992) and the Keynesian postulate, a linear regression model is established as below:

$$RGDP = f(GEE, TSE, SSE, PSE, LAB, CAP) \quad (1)$$

This is transformed into econometric equation with logarithm as follows;

$$\ln RGDP_t = \beta_0 + \beta_1 \ln GEE_t + \beta_2 \ln TSE_t + \beta_3 \ln SSE_t + \beta_4 \ln PSE_t + \beta_5 \ln POP_t + \beta_6 \ln CAP_t + \mu_t \quad (2)$$

Where, RGDP = Real gross domestic product (i.e. dependent variable)

GEE = Total government expenditure on education (i.e. independent variable)

TSE = Tertiary school enrolment (i.e. independent variable)

SSE = Secondary school enrolment (i.e. independent variable)

PSE = Primary school enrolment (i.e. independent variable)

POP = population

CAP = gross capital formation

U = Disturbance Term

α_0 = Intercept

$\beta_1 - \beta_6$ = Coefficient of the Independent Variables.

Estimation Technique

This study employs the Autoregressive Distributed Lag (ARDL) bound test to analyse the effects of oil pricing and production on the Nigerian economy from 1989 to 2020, highlighting its robustness and reliability in time series research. ARDL offers several advantages, including the ability to assess relationships without mandatory unit root tests for stationarity, which are required in conventional methods like Johansen. This allows ARDL to effectively analyse data that may be either I (0) or I(1). Additionally, it can evaluate both long-run and short-run interactions between variables. The Augmented Dickey-Fuller (ADF) test will be used to check for unit roots, ensuring the validity of the time series data employed in the analysis. Overall, ARDL provides a comprehensive framework for exploring dynamic relationships in economic studies. However, given the methodology employed for the analysis (ARDL), the equation will be written as:

$$\begin{aligned} \Delta \ln RGDP_t = & \beta_0 + \beta_1 \ln RGDP_{t-1} + \beta_2 \ln GEE_{t-1} + \beta_3 \ln TSE_{t-1} + \beta_4 \ln SSE_{t-1} + \beta_5 \ln PSE_{t-1} + \\ & \beta_6 \ln POP_{t-1} + \beta_7 \ln CAP_{t-1} + \sum_{i=0}^p \beta_8 \Delta \ln RGDP_{t-i} + \sum_{i=0}^p \beta_9 \Delta \ln GEE_{t-i} + \\ & \sum_{i=0}^p \beta_{10} \Delta \ln TSE_{t-i} + \sum_{i=0}^p \beta_{11} \Delta \ln SSE_{t-i} + \sum_{i=0}^p \beta_{12} \Delta \ln PSE_{t-i} + \sum_{i=0}^p \beta_{13} \Delta \ln POP_{t-i} + \\ & \sum_{i=0}^p \beta_{14} \Delta \ln CAP_{t-i} + ECM + \mu_t \end{aligned} \quad (3)$$

The variables stay the same but stands for the difference (or change) in their respective variables and (-) is the lag sign. A null hypothesis for no co-integration $H_0: 1=2=3=4=5=6=7=0$ is required to meet the long-run relationship in the ARDL bound test (3).

Table 1: Summary Statistics

	LNRGDP	LNGEE	LNSSE	LNTSE	LNPSE	LNPOP	LNGCF
Mean	26.14529	21.09709	3.438857	1.859794	4.505045	18.63861	24.80418
Median	25.93046	21.32236	3.370211	1.812361	4.504100	18.63441	24.78261
Maximum	26.94374	22.84155	4.029013	2.483853	4.728085	19.14406	25.41214
Minimum	25.45149	19.19056	2.839420	0.844498	4.049857	18.13885	24.38679
Std. Dev.	0.524161	0.998444	0.279448	0.488266	0.128598	0.300556	0.227520
Skewness	0.313864	-0.225157	0.265093	-0.38341	-1.008781	0.021633	0.341898
Kurtosis	1.546778	1.783105	2.103358	1.841169	5.689607	1.812998	2.856610
Jarque-Bera	4.176493	2.806028	1.808438	3.218169	18.84090	2.351409	0.813565
Probability	0.123904	0.245855	0.404858	0.200071	0.000081	0.308601	0.665789
Sum	1045.812	843.8837	137.5543	74.39177	180.2018	745.5446	992.1673
Sum Sq. Dev.	10.71505	38.87873	3.045552	9.297753	0.644956	3.523031	2.018848
Observations	43	43	43	43	43	43	43

Source: Author's Computation, 2023

Results

Summary Statistic and Correlation

The estimation process to examine the impact of government education expenditure on economic growth in Nigeria begins with summary statistics, correlation analysis, and unit root tests, followed by a cointegration test to determine stationarity and the long-run relationship between the variables. The ARDL technique is employed due to its robustness in delivering short-run results. Descriptive statistics of the relevant variables are presented, with Table 1 showcasing all values in natural logarithm. The dependent variable, real GDP,

reveals a mean value of 26.14529, a minimum of 25.45149, a maximum of 26.94374, and a standard deviation of 0.524161, which is relatively higher than other variables, attributed to its larger values before logarithmic transformation. Table 1 also indicates positive mean and median values, alongside positive skewness for all variables.

Since correlation analysis is the determinant of linear relationship between distinct variables, it is done in this research to determine the degree of association among the variables. The correlation results are reported in Table 2 which indicates not all variables are highly correlated.

Table 2: Correlation Matrix

	LNRGDP	LNGEE	LNSSE	LNTSE	LNPSE	LNPOP	LNGCF
LNRGDP	1	0.4812531	0.902237	0.895755	0.243866	0.972526	0.549487
LNGEE	0.481253	1	0.520464	0.186325	0.286975	0.308510	0.622775
LNSSE	0.902237	0.520464	1	0.809959	-0.132236	0.866473	0.298996
LNTSE	0.895755	0.186325	0.809959	1	-0.27572	0.933156	0.305446
LNPSE	-0.243866	0.286975	-0.132237	-0.275722	1	-0.331638	0.074487
LNPOP	0.972526	0.308509	0.866473	0.933156	-0.331638	1	0.444270
LNGCF	0.549487	0.622774	0.298996	0.305446	0.074487	0.444270	1

Source: Author's Computation

Stationarity Test and Lag Selection Criteria

Table 3 presents the results of the enhanced Dickey-Fuller test for unit roots, highlighting the decision to use the ADF test due to its widespread acceptance and reliability. The findings indicate that there are no levels or stationary points in the data. Specifically, real GDP and government education expenditure are stationary at level, while secondary school enrolment, tertiary school enrolment, primary school enrolment, population, and gross capital formation are stationary at first difference. The stationarity of each variable, as shown in Table 3, exceeds the critical value, supporting the selection of the ARDL estimation technique.

Table 3 Augmented Dickey-Fuller (ADF) Unit Root Test

Variables	Level t-statistics	p-value	1st difference t-statistics	p-values	Order of integration
LNRGDP	-4.014519	0.0037	-10.72888	0.0000	1(0)
LNGEE	-5.840389	0.0000	-3.737134	0.0092	1(0)
LNSSE	-1.352079	0.5924	-4.525108	0.0012	1(1)
LNTSE	-2.559725	0.1120	-5.945805	0.0000	1(1)
LNPSE	-2.352079	0.1094	-4.753182	0.0003	1(1)
LNPOP	3.369994	1.0000	-3.173332	0.0317	1(1)
LNGCF	-1.630525	0.4555	-3.730998	0.0086	1(1)

Note: * indicates stationery at 10 %, ** means stationery at 5% and *** means stationery at 1%. Unit root test was based on Augmented Dickey-Fuller (ADF) technique following Schwarz Info Criterion (SIC) which was automatically selected by Eviews 10

In the ARDL model, the selection of an appropriate lag is essential, as highlighted by Baek (2014), who indicates that the choice of lag can considerably impact the F-statistic outcomes. Therefore, this study adheres to established methodologies for determining the lag selection criterion. Specifically, the research utilizes the VAR lag selection criteria, which identified lag one as the optimal choice, given that its sign corresponds with lag one. The comprehensive results of this selection process are presented in Appendix I.

Table 4 Cointegration Bound Tests Result

F-statistic	3.833592	EC_{M-1}	-0.592927***	(-6.32477)
Significant level		10%	5%	1%
F-Bounds Test	Lower bound	1.99	2.27	2.88
	Upper bound	2.94	3.28	3.99

Note: the number in parenthesis represents t-statistics, *** signifies 1% level of significant, F-statistics is determined with restricted constant and no trend

Testing the Hypothesis.

Bound Test for Cointegration

To estimate the long-term relationship between the variables, it is essential to first assess the presence of such a relationship. This study employs a bound test for cointegration using the Autoregressive Distributed Lag (ARDL) methodology, with results presented in Table 4. According to the criteria established by Banerjee et al. (1998), the model meets all necessary assumptions, evidenced by a reported negative EC_{M-1} of -0.5929272, which is significant at the one percent level. Additionally, the results in Table 4.4 satisfy the conditions set by Pesaran et al. (2001), indicating that the F-statistics fall outside both the lower and upper bounds for all significant levels. Notably, the F-statistics substantially exceed the upper limit, suggesting a long-term association between the dependent and independent variables. Overall, it can be concluded that the speed of long-term equilibrium adjustment is 59.29 percent, implying that a convergence towards the long-term relationship occurs at this rate.

Table 5: Estimated Long Effect of Education Expenditure on the Economy

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNGEE	0.023476	0.126545	2.884381	0.0056
LNSSE	0.305225	0.10533	2.897789	0.0081
LNTSE	0.1996	0.083686	2.385113	0.0257
LNPSE	0.095129	0.083681	1.136806	0.2673
LNPOP	1.269754	0.126483	10.03895	0.0000
LNGCF	-0.119568	0.151171	-0.790945	0.4371
C	1.568172	4.45083	0.352332	0.7278

Case 2: Restricted Constant and No Trend

Source: Author's Computation 2022

The Short-run and Long Run Analysis

The results for the long run and short run are presented in Tables 5 and 6, respectively. In the long run, the estimated coefficient for government expenditure is 0.023476, which is statistically significant at the one percent level. This finding indicates a positive impact of government education expenditure on the development of the Nigerian economy. Specifically, a one percent increase in government education expenditure is associated with a 2.35 percent increase in real GDP, holding all other factors constant. Consequently, the first hypothesis (H_{01}), which posits that there is no significant long-run effect of educational expenditure on economic growth in Nigeria, is rejected. This suggests that government education expenditure plays a crucial and significant role in the development of Nigeria's real GDP, reflecting its importance as a measure of human capital development that enhances productivity within the economy.

Table 6: ARDL Error Correction Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LNRGDP(-1))	0.187957	0.109136	1.722229	0.0985
D(LNGEE)	0.030344	0.019881	2.526253	0.0216
D(LNGEE(-1))	0.057932	0.019304	3.001069	0.0064
D(LNSSE)	0.180976	0.073775	2.453088	0.0222
D(LNTSE)	0.118348	0.052396	2.258736	0.0337
D(LNPSE)	-0.01612	0.035664	-0.451995	0.6555
D(LNPOP)	-77.17912	29.25061	-2.638547	0.0147
D(LNPOP(-1))	112.8478	33.53748	3.364826	0.0027
D(LNGCF)	-0.009614	0.031988	-0.300546	0.7665
CointEq(-1)*	-0.592927	0.093747	-6.324769	0

Case 2: Restricted Constant and No Trend

Source: Author's Computation

The assessment of government education expenditure indicates a positive impact on economic development in Nigeria in the short term. The short-run coefficient for government education expenditure is 0.030344, which is statistically significant at the five percent level. This finding suggests that a one percent increase in government education expenditure will result in a 3.03 percent increase in real GDP, holding all other factors constant. This result is consistent at lag one. Consequently, the second hypothesis (H_{02}), which posits that “education expenditure does not lead to any significant short-run economic growth in Nigeria,” is rejected.

An examination of the causal relationship between government educational expenditure and economic development in Nigeria reveals a unidirectional relationship. The results, detailed in Appendix II, indicate that the hypothesis stating LNGEE does not Granger Cause LNRGDP is rejected, as evidenced by a p-value of 0.7723. Conversely, the hypothesis that LNRGDP does not Granger Cause LNGEE is confirmed, with a significant p-value of 0.0061 at the one percent level. This implies that government educational expenditure does Granger Cause Nigerian real GDP, whereas the reverse is not true. Consequently, the third null hypothesis (H_{03}), which claims that there is no causal relationship between educational

expenditure and economic growth in Nigeria, is rejected, suggesting a unidirectional causal relationship from government expenditure to real GDP.

Discussion of Findings

The findings of this study reveal a significant positive relationship between government education expenditure and economic growth in Nigeria, both in the short run and long run. Specifically, the analysis indicates that a one percent increase in government education expenditure results in a 2.35 percent increase in real GDP in the long run and a 3.03 percent increase in the short run. This aligns with previous studies, such as those by Ojewumi and Oladimeji (2016), which demonstrate that increased educational expenditure contributes to enhanced economic performance through improved human capital. Similarly, the results are consistent with the work of Obi, et al., (2016), who argue that investments in education yield substantial economic returns, particularly in developing countries like Nigeria, where human capital development is crucial for driving economic growth.

Moreover, the study establishes a unidirectional causal relationship between government educational expenditure and economic growth, indicating that while education spending Granger-causes real GDP, the reverse is not true. This finding is supported by the research of Maneejuk and Yamaka (2020), which found that government spending on education significantly impacts economic growth, but economic growth does not significantly influence educational expenditure. The implications of these results suggest that policy interventions aimed at increasing government education spending are vital for fostering economic development in Nigeria. This reinforces the conclusions drawn by Ayeni and Omobude (2018), who emphasize the critical role of government investment in education as a driver of economic advancement and the need for sustained commitment to educational funding to ensure long-term economic stability and growth.

Conclusion

This study provides compelling evidence that government education expenditure plays a crucial role in enhancing economic growth in Nigeria. The significant positive relationship observed between educational spending and real GDP, both in the short run and long run, underscores the importance of investing in human capital as a pathway to economic development. The establishment of a unidirectional causal relationship further highlights the need for strategic policy initiatives aimed at increasing education funding to foster sustainable economic growth. Given the pressing developmental challenges facing Nigeria, these findings reinforce the necessity for the government to prioritize educational investments as a means to build a more productive workforce and stimulate overall economic performance.

Based on the findings, several recommendations can be made. First, the Nigerian government should allocate a larger proportion of its budget to education, ensuring that funding is directed towards improving infrastructure, teacher training, and educational resources to enhance learning outcomes. Second, policies should be implemented to

monitor and evaluate the effectiveness of educational spending, ensuring that investments translate into tangible improvements in human capital development. Additionally, fostering partnerships between the public and private sectors can help leverage resources and expertise, ultimately contributing to a more robust educational system. Finally, continued research should be conducted to assess the long-term impacts of educational investments on economic growth, thereby informing future policy decisions and strategies aimed at optimizing the role of education in Nigeria's development trajectory.

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CORPORATE GOVERNANCE MECHANISM AND AUDIT QUALITY OF DEPOSIT MONEY BANKS IN NIGERIA

Adejoh Edogbnaya

Department of Accounting

Kogi State University

Abstract

Corporate governance mechanism is a value-seeking chain mechanism that directs and controls a company with the purpose of aligning the company's operations with the stakeholders' interest. However, recent global events have created pessimism in the minds of both existing and potential investors on the workability of these mechanisms and they remain doubtful on whether companies are actually adhering to the codes. This study, therefore, examines corporate governance mechanism and audit quality of deposit money banks (DMBs) in Nigeria from 2007-2017. The specific objectives were to investigate the impact of board size and audit committee independence on audit quality of the selected banks. Data were sourced from the financial statements of the banks for eleven (11) years covered by this study. The data were analysed with correlation coefficient, descriptive statistics and panel least square multiple regression techniques. The result shows that board size has an insignificant negative impact on audit quality while audit committee independence has a significant positive impact on audit quality of the selected DMBs in Nigeria. The study recommends among others that equity shareholders of deposit money bank in Nigeria should make sure that only minimum required numbers of directors are allowed on the board because large board size mitigates against achieving effective and efficient high-quality audit report.

Keywords: *Corporate Governance Mechanism; Audit Quality; Deposit Money Banks*

Introduction

Corporate governance refers to a system by which companies are directed and controlled in the activities so as to be guided from derailing from set objectives principal among which is

the protection of shareholder's interest. Governance involves exercising power and making decisions for a group of individual. Effective corporate governance and audit quality are vital components for any firm to ensure the truthfulness of internal control and to monitor the financial reporting procedures. Effective corporate governance mechanisms assume the provision of high-quality audit for the firm. High-quality audit firms are constantly attempting to improve the quality of corporate governance mechanisms of their client statement (Abdullah, Ismail and Jamaluddin, 2008). Corporate Governance is concerned with the mitigation of conflicts of interest between stakeholders.

The socio-economic consequences of the state of global corporate scandals and collapses, particularly as witnessed in Nigeria banks from the late '80s to 2009 has brought to the fore the importance of the link between the monitoring roles of the Board of Directors and audit quality of Nigerian banks. These scandals had reduced investors' confidence in the quality of financial statements and emphasised the need for corporate governance mechanisms. Effective corporate governance and audit quality are vital components for any firm to ensure the truthfulness of internal control and to monitor the financial reporting procedures. The poor performance of the board of directors and audit failures has an implication in the spate of distresses and failures of Nigerian Banks (CBN, 2009). Corporate Governance has become a topical issue which has attracted the attention of academic scholars and practitioners. Revelations of corporate fraud all over the World in the past years have clearly shaken investors' confidence and historical antecedents in financial practices have indicated that financial crisis is the direct consequence of poor corporate governance. For instance, the Enron Saga and the crash of sub-prime mortgage institutions which led to the last global financial crisis. These problems transferred to other parts of the World through globalization which makes countries of the world to be interconnected as a result of trade liberalization and advancement in technology (Telecommunication and Transportation), (Ogbulu & Emini, 2012).

Africa particularly Nigeria had its own share of the contagious financial crises. Nigeria had witnessed serious financial distress in which banks that were considered healthy by investors happened to be the most affected. This made the Securities and Exchange Commission (SEC) in 2003 observes that the financial sector attracted poor corporate governance as a result of the fact that only about 40% of companies including banks quoted in the stock exchange had recognized the code of corporate governance and tried to abide by it. Consequently, in 2003, the Nigerian Securities and Exchange Commission rolled out a code of best practices on corporate governance for all public quoted companies in Nigeria (Adebayo, 2013). The Banking Sector crisis remained a subject of concern because of its role in facilitating and stimulating economic development. This however made the Apex Bank (CBN) take a bold step in revitalizing the Banking Sector through the stipulation of #25 billion Naira as minimum capital bases for all banks in Nigeria. This led to the emergence of 25 commercial banks in Nigeria as at 31st December 2005.

Audit quality has become very important due to the role of an audit in enhancing the quality and reliability of financial statements. However, the financial crisis which has affected most of the world in recent years has pushed up the demand for high-quality audits (Alzeaiden & Al-Rawash, 2018). The CBN (2006) Code expects the Audit Committee to be constituted of non-executive directors and ordinary shareholders appointed at AGM and some of them should be knowledgeable in internal control processes. Such Audit Committee should be responsible for the review of the integrity of banks' financial reporting and oversee the independence and objectivity of the external auditors. Wali (2015) pointed out that audit quality exercise is an audit conducted in accordance with auditing standards generally acceptable that can detect and report material misstatements in the financial statements include disclosure relating either caused by an error, fault or fraud and is able to provide assurance of internal control while providing going concern warnings. Audit quality is affected by the auditor's independence and the more independent an auditor is, the better the audit quality.

Board Size refers to the total number of directors on the board of a sampled deposit money bank in Nigeria and determining the ideal board size for an organization is very important because the number and quality of directors in a firm determines and influences the board functioning and hence corporate performance. Proponents of large board size believe it provides an increased pool of expertise because larger boards are likely to have more knowledge and skills at their disposal. Board size is believed to be very fundamental to effective corporate decision making (CBN, 2006). Optimum board size of between a minimum of 5 and a maximum of 20 members have been prescribed at various times by codes of corporate governance of quoted companies, banks and financial institutions in Nigeria.

The audit committee is a sub-committee which is created by the board of directors with aim of making arrangements for the audit, carrying a regular check, and overseeing the financial statements. This committee enhances the ability of the board to fulfil its legal responsibilities and ensures that the credibility and objectivity of the financial reports are attained and sustained (Muhammad & Musa, 2016). The audit committee, therefore, should be fully independent of management for effective reporting. The committee is one of the key elements in corporate governance systems and a powerful tool that helps control and monitor management and external auditors and can be an important part of the decision control system for internal monitoring by firms' boards. Bahram (2007) describes the notion of auditor's independence as the auditor's ability to maintain an objective and impartial mental attitude throughout the audit exercise. Almost all corporate governance regulations around the world require firms to put in place an audit committee that is independent of external influences to conduct certain tasks that ensure high audit quality and the integrity of financial statements (Habbash, 2015).

The weakness of corporate governance is perhaps the most important factor blamed for corporate failure with consequences from the perspectives of economic and corporate crises.

The corporate governance mechanisms of banks in developing economies have been almost ignored by researchers. The Corporate Governance of Banks in developing economies is important for several reasons. First, banks have an overwhelmingly dominant position in developing economies financial systems and are extremely important engines of economic growth (Adebayo, 2013). Second, banks in developing economies are typically the most important source of finance for the majority of firms. Third, banks in developing countries are the main depository for the economy's savings and provide the means for payment.

Factors affecting audit quality have captured the attention of previous studies where the institutional factors for the audited firms that might have an influence on the audit quality were more or less examined. Abdullah (2008) studied the effective component of corporate governance, board composition and ownership by Directors, ownership by financial institutions and Chief Executive Officer/Chairman and its relationship with the audit quality. But unlike Abdullah (2008) and other studies, this study focuses on the corporate governance mechanisms notably (board size and audit committee independence) in Nigeria Deposit Money Banks and the level of Audit Quality. However, recent empirical researchers suggest that big audit firms guarantee audit quality. There is little empirical research that examines the audit quality in emerging markets where equity markets are less developed and therefore the auditing environment is quite different. These factors constitute the problems that make this study to focus mainly on Corporate Governance Mechanism and Audit Quality in Deposit Money Banks in Nigeria covering the period of eleven years from 2007-2017. From the above submission, the following objectives are stated.

- i. Determine the impact of Board size (BRDSZ) on Audit Quality of listed Nigerian Deposit Money Banks.
- ii. Analyse the impact of Audit Committee independence (AUDCIND) on Audit Quality of listed Nigerian Deposit Money Banks.

Research Hypotheses

Based on the objectives, the following hypotheses were formulated in Null form to be tested.

Ho₁: Board size has no significant impact on Audit Quality of listed Nigerian Deposit Money Banks.

Ho₂: Audit Committee independence has no significant impact on Audit Quality of listed Nigerian Deposit Money Banks.

Review of Related Literature

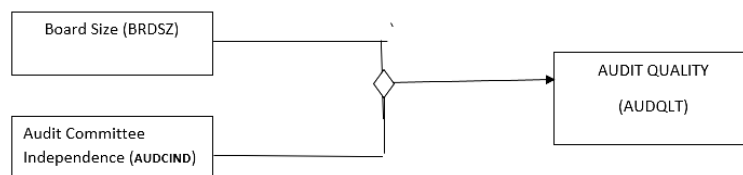


Figure 1 above shows the Research Framework of this study.

Corporate Governance

Corporate Governance is the combination of a mechanism to ensure that the management (the agent) runs the firm for the benefit of one or several stakeholders (Principals), such may cover stakeholders and other different types of stakeholders (mainly the large shareholders and minority shareholders) in the prevention of these conflicts of interest (Alfred, 2013). Generally, Corporate Governance is concerned with the host of legal and non-legal principles and practice affecting control of publicly held business corporations. Alzeaiden and Al-Rawash (2018) define corporate governance as a set of relationships involving a company's management, administration board, shareholders and other stakeholders, adding that such relationships provide the structure through which the company's objectives can be set, the means to realize such objectives can be determined and performance can be monitored.

Ogulu and Emini (2012) state that effective corporate governance decentralizes power and creates room for checks and balances of which most of the times managers invest in positive net present value projects thus helping the relationship between management and shareholders to be characterized by transparency and fairness. Corporate governance mechanism also provides the directors with the right to make effective decisions directed towards the meeting of shareholders and management objectives by ameliorating agency problems (Shleifer & Vishny, 1997)

Audit Quality

DeAngelo (1981) defines audit quality as the market assessed the joint probability that the auditor discovers and truthfully reports material misstatement, misrepresentation and omissions detected in a client's accounting statements. Audit quality is the outcome of an audit conducted in accordance with generally accepted auditing standards to provide reasonable assurance that the audited annual financial statements and related disclosures are presented in accordance with generally accepted accounting principles. It is an indication that these statements are not materially misstated whether due to mistakes or intentions. Bradshaw, Richardson and Sloan (2001) describe audit quality as the preparation to determine and record any manipulation and material misstatement that would increase the uncertainty or going concern. Duff (2004) suggests that audit quality combines both service and technical quality. Audit Quality is the probability that an Auditor will not issue an unqualified report for statements containing materials errors. Bahram (2007) asserts that in order to carry out an audit in a manner that meets the reasonable expectations of users of audited financial statements, it is essential that work is performed with due regard for audit quality. The audit firm must not compromise quality to achieve financial benefits.

Board Size and Audit Quality

Board Size refers to the total number of directors on the board of a company. Proponents of large board size believe it provides an increased pool of expertise because larger boards are likely to have more knowledge and skills at their disposal. They are also capable of reducing the dominance of an overbearing CEO and hence put the necessary checks and balances

(Forbes & Milliken, 1999). Board's monitoring and supervising capacity is increased as more and more directors join the board (Jensen, 1993). Vafeas (2005) suggests that the size of a board and the performance of the directors have a non-linear relationship. A board that is too small or too large is likely to be ineffective. Lipton and Lorsch (1992), for example, recommended that the ideal size of a board should not exceed eight or nine directors. However, Jensen (1993) claims that when a board has more than seven or *eight members, it is less effective due to the problems of coordination and process which, in turn, contribute to weak monitoring.

Makani, Kolsi and Affes (2012) indicate that board size positively affects the demand for higher quality auditors. In their contribution to the relationship between board size and audit quality, Abbott, Parker and Peters (2004) suggest that the firms with smaller board size experience a lower incidence of restatements of financial reports as the smaller boards contribute to effective communication and there is less likelihood of a communication breakdown. This implies that when board members communicate effectively, they reduce the incidence of misunderstanding and consequent errors and that they are more sensitive to the issues that may affect their shareholders or investors' confidence, particularly concerning financial reporting. Pearce and Zhara (1992) suggest that when the number of board members is higher, the control capacity and performance would be enhanced

Audit Committee independence and Audit Quality

Auditing involves the attestation of accounting information and the provision of reasonable assurance to the users of accounting information by an independent party (Enofe, Mgbame, Aderin & Ehi-Oshio, 2013). An audit committee is a group of persons selected from the members of the board of directors and from among shareholders who are responsible for ensuring audit quality of financial reports (Arens, Elder & Beasley; and Best, Shailer & Fielder, 2011). The audit committee is a subcommittee of the board of directors that consists of a majority of independent non-executive directors' representatives of the shareholders tasked with an oversight role to assist the directors in meeting their high-quality financial reporting, risk management and control, and audit-related responsibilities. Hayes, Dassen, Schilder and Wallage (2004) define the independence of the auditor as having a position to take an unbiased viewpoint in the performance of audit tests, analysis of results, and attestation in the audit report. Arens *et al* (2012) explain that independence requires an attitude of responsibility separate from the external influence adding that auditors must maintain an attitude of healthy professional scepticism.

Empirical Review

Majiyebo, Okpanachi, Nyor, Yahaya and Mohammed (2018) examine the effect of audit committee independence and size on financial reporting quality of listed deposit money banks (DMB) in Nigeria. Cross-sectional data were obtained from the Nigerian Stock Exchange fact books and the financial statements of fifteen (15) listed deposit money banks over a period of ten years (2007-2016). The modified Jones (1991) model was adopted to measure financial reporting quality. The data were analyzed using STATA 13. The study

reveals that audit committee independence has a negative but significant effect on financial reporting quality of listed deposit money banks in Nigeria. Also, audit committee size has no significant effect on the financial reporting quality of listed deposit money banks in Nigeria. Based on the conclusion, the study recommends that deposit money banks in Nigeria should ensure that their boards are independent as this is likely to enhance financial reporting quality and management of deposit money banks in Nigeria should consider the provisions of the Nigerian code of corporate governance in audit committee composition as that will improve the financial reporting quality of DMBs.

Dwekat, Mardawi and Abdeljawad (2018) examine the impact of corporate governance mechanisms on audit quality choice in Palestine. The sample included 46 firms listed on the Palestine stock exchange (PSE) for the period from 2013 to 2015. Relevant data were collected from the annual reports of the sampled companies published at the PSE website. Auditor's quality was assessed using the audit firm size (Big 4 or non-Big 4). To achieve the objectives of this study, a binary logistic regression was used. The results revealed that companies with a high ownership concentration, board independence and the existence of audit committee tend to hire a high-quality auditor. In addition, results showed a significant positive tendency of higher total asset firms to hire a quality auditor while firms with higher leverage tend to choose fewer quality auditors. Furthermore, director ownership, board size and chief executive officer duality were found to have no significant effect on auditor's quality choice. They recommended that regulators need to encourage companies for more compliance with corporate governance instructions.

Alzeaideen and Al-Rawash (2018) investigate the effect of different ownership structure - (concentration, foreign, and institutional ownership) - and corporate debt on audit quality of listed companies in Amman stock exchange. The research has four hypotheses which were tested by a specified model based on dependent variables employed to measure audit quality. The sample study consists of 132 companies from 2005 to 2016. The analysis of logistic regression was used to investigate the relationship between the audit quality measured based on the audit firms' size as a dependent variable, ownership structure and corporate debt as independent variables. The results show evidence of a positive statistically significant relationship between the audit quality and that of companies both with foreign and institutional ownership. In addition, ownership concentration was shown to have a positive but insignificant relationship with audit quality. They recommended that companies take advantage of this positive impact of the existence of debt in the company's capital structure and audit quality by maintaining this external option of financing open for future financial needs.

Suryanto, Thalassinou and Thalassinou (2017) examine the relationship between board size, number of non-executive directors, the financial expertise of the non-executive directors representing the audit committee and the audit quality. Data from firms listed in the Indonesian Stock Exchange have been used. In order to achieve the research objectives, the study used the logit regression. The data of 121 listed firms in a five-year period from 2012 to

2016 was collected from the printed audit accounts available on companies' websites. The findings of the study have shown that in firms listed in the Indonesian Stock Exchange audit committee and board characteristics have a significant effect on audit quality. They recommended that the result of the study will be helpful for students, auditors, policymakers and researchers to understand the impact of corporate governance in audit quality.

Ghafran and O'Sullivan (2017) investigate the impact of the audit committee on one measure of audit quality - audit fees paid by Financial Times Stock Exchange (FTSE) 350 companies. The analysis reveals that audit committees possessing greater levels of financial experts are associated with higher audit fees. When they segregate financial expertise between accounting and non-accounting, the study found out that the positive impact identified is driven by non-accounting expertise. Furthermore, when separate FTSE100 and FTSE250 firms we find the impact of financial expertise is confined to FTSE250 firms. It was recommended that the value of expertise to audit quality depends on the specific financial reporting challenges firms face.

Ahmeda and Che-Ahmad (2016) examine the effects of board size, audit committee characteristics and audit quality on audit report lag (ARL) of listed banks in Nigeria. Using a sample of 14 banks, the study covers a five-year period from 2008 to 2012. The findings of the study based on robust OLS model reveals that audit quality represented by the Big 4 firms has an insignificant impact from ARL. Board size, board meetings, total assets as well as board gender also have significant positive associations with ARL. However, the study reveals an insignificant relationship between audit committee size, risk management committee size and board expertise on ARL. They recommended that shareholders should maintain the use of big 4 so that report is presented at the right time to enhance the confidence of the stakeholders as well as regulators, and that further study that will incorporate other potentials variables such as company complexity, ethnicity, leverage and IFRS complexity should be carried out for more robust results.

Akhidime (2015) examines the impact of board structure and corporate characteristics of Nigerian banks have on their audit quality. The study is based on the published audited accounts of 19 banks that were selected by simple random sampling technique from the population of the 25 Nigerian banks over the banks' post consolidation/reformative year period. The variables of the study were analysed using binary logistic regression analysis. The hypotheses of the study were tested using F-ratios from the results of the pooled binary regression of the pooled data at a 5% level of significance. Results of the study confirm that non-executive, independent directors and director's share ownership positively impact on the banks' audit quality. It was recommended for an upward review of the proportion of non-executive directors as well as the optimum size of the boards of the banks.

Theoretical Review

There are several theories that have been used by different scholars to underpin studies on corporate governance mechanism some of them are discussed below.

Agency Cost Theory (Jensen and Meckling, 1976)

Agency theory is a theory that has been applied to many fields in the social and management sciences: politics, economics, sociology, management, marketing, accounting and administration. The agency theory is a neoclassical economic theory and is usually the starting point for any debate on corporate governance. The theory is based on the idea of separation of ownership (principal) and management (agent). It holds that in the presence of information asymmetry, the agent is likely to pursue an interest that may conflict with that of the principal. Since managers are said to favour perks of office and power even at the expense of shareholders' interest, they are likely to pursue interests that may hurt their principals (the shareholders). The theory, therefore, suggests an optimal debt level that would arise as a result of agency cost. The theorists suggested a situation whereby the interest of the managers in the firm should increase in order to be aligning with the owners. The debt level should also be motivated to control managers' tendency for extra consumption. Free cash flow in a firm can be controlled by increasing the managers' stake in the firms or debt in the capital structure thereby reducing the amount of free cash available to manager.

Methodology

Research Design

The research design adopted for this study is the *ex-post facto* as the research relied on historical data obtained from the annual financial statements and accounts of sampled banks quoted on the Nigerian Stock Exchange, from 2007-2017. It is *ex-post facto* because the event under investigation had already taken place thereby providing data in the secondary form. The population of the study consists of all the 21 deposit money banks currently operating in Nigeria. The sample size of this study consists of all the 12 banks quoted on the Nigerian stock exchange whose audit quality in the past ten (11) years (2007-2017) shall be studied in relation to their board size (BRDSZ) and audit committee independence (AUDCIND). These 12 banks and 11 years period were sampled out for study purely because of the availability of data. The sampling technique adopted in this research is the random sampling method. This sampling was used because all the 12 deposit money bank listed on the stock exchange in Nigeria have equal chances of being selected as a sample since they have data for this study covering the required 11 year period (2007-2017).

The source of data for this research is secondarily extracted from the annual published financial statements of accounts of the sampled banks listed on the Nigerian Stock Exchange from 2007-2017. Correlation, Panel Least Squares (PLS) multiple regression and Descriptive statistics were a tool of analysis used. Analysis of the data was conducted with the aid of EViews 9.0 software.

Variable Measurement and Justification

Table 1 shows the measurement and justification of both the independent and dependent variables used in this study.

Table 1.

Variable	Acronym	Type	Measurement	Justification
Audit Quality	ADQL	Dependent (Dichotomous)	If audited by the Big 4, assign '1' if not assign '0'	Ejeagbasi et al (2015), Alzeaidemı and Al-Rawash (2018); Adeyemi and Fagbemi (
Board Size	BDSZ	Independent	Number of Directors on board	Dwekat et al (2018), Suryanto et al (2017)
Audit Committee Independence	AUDCIND	Independent (Dichotomous)	If the number of non-executive members equal with the number of shareholders members Assign 1, otherwise Assign 0	Dwekat et al (2018); Suryanto et al (2017)

The 'Big 4' refers to the four biggest audit firms in the world which are: i) Akintola Williams Deloitte, Ernst and Young, KPMG and Pricewaterhousecooper (PwC). The Big 4' audit firms have greater expertise, resources, and professional auditors that are more likely to provide high-quality audit (Habbash, 2015).

Model Specification

The regression equation with a response (dependent) variable and a set of predictor (independent) variables as repressors' was adopted in this study. The dependent variable which is audit quality (AUDQLT) while the independent variable (corporate governance mechanism) is measured by board size (BRDSZ), and audit committee independence (AUDCIND)

The specified linear regression equation is presented as follows:

$$\text{AUDQLT} = F(\text{BRDSZ} + \text{AUDCOM}) \dots \dots \dots (1)$$

Restating the above equation in Econometric term, the equation as used by Alzeaidemı and Al-Rawash (2018) becomes:

$$\text{AUDQLT}_{it} = \beta_0 + \beta_1 \text{BRDSZ}_{it} + \beta_2 \text{AUDCOM}_{it} + \mu_{it} \dots \dots \dots (2) \text{ [Model]}$$

Where:

AUDQLT = an indicator for audit quality (Dependent Variable)

β_0 = Intercept term (a constant)

β_1 = Coefficient of board size

β_2 = Coefficient of audit committee

BRDSZ = a predictor for Independent Variable – Board size

AUDCIND = a predictor representing Independent Variable – Audit committee

μ = Error term (representing the combined effect of omitted variables)

it = Dated Panel data and;

f = Functional relationship.

Data Presentation and Analysis

Appendix 1 shows figures representing audit quality (AUDQLT), board size (BRDSZ) and audit committee independence (AUDCIND) for the twelve deposit money banks listed in Nigeria used for the study namely: Access Bank PLC, Diamond Bank PLC, Fidelity Bank PLC, First Bank PLC, First City Monument Bank PLC, Guarantee Trust Bank PLC, Stanbic IBTC, Sterling Bank PLC, Union Bank PLC, United Bank for Africa PLC, Unity Bank PLC and Zenith Bank PLC for eleven years spanning from 2007 - 2017.

Correlation Test for Multicollinearity

Table 2 below shows the Pearson Correlation Matrix that depicts the strength of the relationship between the variables in this model.

Table 2.

	AUDQLT	BRDSZ	AUDCIND
AUDQLT	1.000000		
BRDSZ	-0.028124	1.000000	
AUDCIND	0.211394	-0.006004	1.000000

Source: Researcher's computation with EViews 9.0

The result from Table 2 above shows that none of the variables has a positive correlation with one another with values that are higher than 0.85. This is an indication of the absence of multicollinearity problem (Hair, Tathan & Anderson, 2005).

Descriptive Statistics

Table 3 below shows the descriptive statistical analysis of the variables used in the model

Table 3.

	AUDQLT	BRDSZ	AUDCIND
Mean	0.916667	15.06818	0.871212
Median	1.000000	15.00000	1.000000
Maximum	1.000000	25.00000	1.000000
Minimum	0.000000	7.000000	0.000000
Std. Dev.	0.277438	3.179594	0.336241
Skewness	-3.015113	0.358057	-2.216423
Kurtosis	10.09091	3.445428	5.912532
Jarque-Bera	476.5455	3.911741	154.7313
Probability	0.000000	0.141441	0.000000
Sum	121.0000	1989.000	115.0000
Sum Sq. Dev.	10.08333	1324.386	14.81061
Observations	132	132	132

Source: Researcher's computation using EViews 9.0 software

The result in Table 3 above shows the descriptive statistics for the overall data set. The mean and the median displayed a high level of consistency, as their values lie within the range of minimum and maximum values of the series except for the median of AUDCIND. For instance, AUDQLT, BRDSZ and AUDCIND have means of 0.916667, 15.06818 and 0.871212 which lie between their maximum (1.00, 25.00 and 1.00) and minimum (0.00, 7.00 and 0.00). This is evidence of the series been evenly spread.

Regression Analysis

Table 4 below shows the result of the panel least square (PLS) multiple regression analysis.

Table 4.

Dependent Variables: AUDQLT

Method: Panel Least Squares

Date: 02/28/19 Time: 18:32

Sample: 2007/2017

Periods included: 11

Cross-Sections included: 12

Total panel (balanced) observations: 132

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BRDSZ	-0.002343	0.007506	-0.312185	0.7554
AUDCIND	0.174292	0.070980	2.455494	0.0154
C	0.800131	0.131399	6.089309	0.0000
R-squared	0.585408	Mean dependent var		0.916667
Adjusted R-squared	0.530609	S.D. dependent var		0.277438
S.E. of regression	0.273159	Akaike info criterion		0.264942
Sum squared resid	9.625465	Schwarz criterion		0.330460
Log likelihood	-14.48616	Hannan-Quinn criter.		0.291565
F-statistic	13.068167	Durbin-Watson stat		0.501442
Prob(F-statistic)	0.049915			

Source: Researcher's computation with the aid of E-Views 9.0 software.

Diagnostic Test Result

Table 4 above shows that goodness of Fit or Coefficient of determination (R-squared) adjusted for degree of freedom, depicted by Adjusted R-squared, stood approximately at a value of 0.53 which signifies that about 53% of the systemic changes observed in audit quality of the selected deposit money banks in Nigeria from 2007-2017 is jointly explained by the independent variables namely: board size and audit committee independence. This shows that the model is fit. The remaining 47% is accounted for by other variables not captured in the model (error term). Table 4 also shows F-statistics which reports the overall significance of the model is approximately 13.07 and the estimated prob. value of 0.05 indicate that the model is fit and therefore the result is good for decision making.

Test of Hypotheses

In order to estimate the impact of corporate governance mechanism on audit quality of deposit money banks in Nigeria for the period of this study from 2007-2017, the formulated hypotheses were tested using the Panel Least Square Regression analysis as follows:

Table 4 above indicated that board size (BRDSZ) has a coefficient of -0.002343, the t-stat value of -0.312185 and a prob, value of 0.7554 meaning that BRDSZ has an insignificant negative impact on audit quality. Based on this, the null hypothesis one (H_{01}) which states that board size has no significant impact on audit quality in Nigerian listed DMB is accepted.

Table 3.4 above equally indicated that audit committee independence (AUDCIND) has a coefficient of 0.174292, t-stat value of 2.455494 and probability of 0.0154, meaning that AUDCIND has a significant positive impact on audit quality (at 5% level of significance) of Nigerian deposit money banks. Based on this result, the null hypothesis two (H_{02}) which states that audit committee independence has no significant impact on audit quality in deposit money banks in Nigeria is rejected.

Discussion of Findings

The result from this study shows that board size (BRDSZ) has an insignificant negative impact on audit quality such that any unit increase in the size of the board will lead to a reduction in the quality of audit of DMB in Nigeria. This finding is in line with those of Dwekat *et al* (2018); Ejeagbasi *et al* (2015); and Almeda *et al* (2016) who reported that board size has an insignificant impact on audit quality. However, this finding is not in line with the finding of Ahmeda and Che-Ahmad (2016) who found that board size has a significant positive association with the audit report.

The study also reveals that audit committee independence (AUDCIND) has a significant positive impact on audit quality such that an increase of audit committee independence brings about an increase in the quality of the audit. This finding is in consonance with the finding of Majiyebo *et al* (2018) and Suryanto *et al* (2017) who reported that audit committee independence has a significant impact on audit quality. The finding is however at variance with that of Ejeagbasi *et al* (2015) who found that independence of the audit committee has an insignificant relationship with audit quality.

Summary of the Findings

The main objective of this study is to evaluate the impact of corporate governance mechanism on audit quality of deposit money banks in Nigeria. The independent variable (corporate governance mechanism) is proxied by board size and audit committee independence. The panel data used for analysis were sourced from the financial statements of the selected banks from 2007-2017 and analysis was conducted with correlation coefficient, descriptive statistics and panel least regression using EVIEWS 9.0 software. The regression result shows that board size has an insignificant negative impact on audit quality while audit committee independence has a significant positive impact on audit quality. The

diagnostic test reveals that adjusted R-square is approximately 53% while F- statistics has a probability of approximately 0.05, indicating a fit model.

Conclusion and Recommendations

The deposit money banks in Nigeria must maintain a small board size, as increasing the number of directors on the bank board is injurious and mitigate against high-quality audit reporting. The composition of audit committee members of an equal number of directors and shareholders must be maintained to enhance audit committee independence and serves as a veritable tool in enhancing audit quality in deposit money banks in Nigeria. The audit committee must be allowed to be truly independent for high-quality reports. Based on the above findings and conclusion drawn, the following recommendations are made:

- (i) Equity shareholders who are the owners of deposit money bank should make sure that only the minimum required numbers of directors are allowed on the board because large board size mitigates against achieving effective and efficient high-quality audit report.
- (ii) Management of deposit money bank should not interfere with the activities of the audit committee's independence in order to allow members to carry out their duties without let or hindrances. This is imperative because a high-quality audit report is necessary for stakeholders' confidence

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5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

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UNDERSTANDING THE DETERMINANTS OF FINANCIAL INCLUSION IN KATSINA STATE, NIGERIA

Muhammad Yusuf

Economics Department

Air Force Institute of Technology Kaduna, Nigeria

Abstract

Understanding Financial Inclusion is one of the major preoccupations for policymakers in Nigeria. Katsina state is one of the states with the lowest financial inclusion rate of 36%, which means that 64% of its adult population in the state are unbanked. The aim of this study is to explore a wider understanding of the determinants of financial inclusion in Katsina state Nigeria in order to understand how they influence the decision of an adult who are largely in the informal sector and understand on how they can enroll into a bank account. Therefore, both qualitative and quantitative method of research were employed. The qualitative method used Key Informant Interview (KII) approach while the quantitative method used five-point Likert questionnaire to engage the beneficiaries. Thus, the study's population includes all financially included and excluded adults in Katsina State, amounting to 4,769,510 individuals. In this study, the Yamane (1967) formula for sample size was adopted to arrive at a sample of 400 respondents. The procedure used for the multistage sampling in this research therefore involved sampling and subsampling at various levels, subsequently selecting the required number of elements from the various clusters until the final respondent is reached. To ease data collection and to avoid missing information, this study used computer designed questionnaire namely, Open Data Kit (ODK) in mobile devices to collect data in the field instead of paper-type questionnaire. A total of 480 questionnaires were administered. Both univariate and multivariate odds ratios of the determinants of financial inclusion were estimated using logistic regression analysis and Structural Equation Modeling (SEM) approach was also utilized to assess how these three components determine financial inclusion in Katsina State, Nigeria. The results revealed that most of the determinants related to financial literacy, financial knowledge, financial awareness, access to bank, income level and culture are statistically significant in determining financial inclusion in Katsina state, Nigeria. Based on these findings, the study recommends that, among other things, concerted effort should be made by stakeholders to improve access to bank and drive financial literacy. Similarly, to reduce client apathy in adopting financial inclusion, initiatives by government in the form of incentives for education, social security and conditional cash transfers should be adopted. Cultural barriers can be removed through advertisement in local language, on radio and television, and in print media with local icons and artistes as brand ambassadors of the campaign, in order to help in building public confidence and encourage financially uptake.

Keywords: *Financial inclusion; financial literacy; financial knowledge; financial awareness; cultural barriers; uptake.*

Introduction

Although financial inclusion has grown in the past decade, Nigeria fell short of the National Financial Strategy Target for 2020. The country had aimed to reach 80% of Nigerian adults with formal financial services by 2020; the actual figure was 51%. The strategy also set targets for overall financial inclusion, which count Nigerians that use either formal financial services or informal financial services that are not nationally regulated, such as saving groups. However, EFInA (2020) data shows that only 64% of Nigerian adults were financially included by the end of 2020. This means that 36% of Nigerian adults, or 38 million of bankable adult population of 99.6 million people, remain completely financially excluded from any sort of financial services (formal and informal) in the country.

Furthermore, large gaps in financial access remain a challenge for some of Nigeria's most financially excluded groups. Women continue to record low financial inclusion with only 45% of women using formal financial services, compared with 56% of men. Adults in Northern Nigeria continue to be significantly less included than those in the southern region, and rural adults are still recording low inclusion rate than those in urban areas. The EFInA (2020) survey also indicates that, out of 38 million adults excluded from financial services in Nigeria, 28.8 million people which is equivalent to 78.8% reside in the rural settlement, while 7.9 million people which is equivalent to 21.2% reside in the urban settlement. The Northwestern part of Nigeria which comprises of 7 states is the region with the lowest financial inclusion rate of 38% as against the southwestern region which has 81% inclusion rate (EFInA, 2020).

Katsina State which is the area of this study is estimated to have an adult population of 3.6 million (CBN, 2020). The state is the 32nd State with the lowest inclusion rate of about 36% which translates to 1.33 million people having access to financial services while 2.26 lack accounts (EFInA, 2020). As at 2020, the State has 2,682 access points to financial services that is made up of 51 Deposit Money Bank branches, 24 Micro Finance Banks, 11 post offices and 2,596 agents respectively. The implication of low financial inclusion rate means that individuals are mostly left outside the formal financial system with no access to credit which could be used for investment or consumption or to support their expenditures. It is of paramount importance therefore to understand the factors that influence financial inclusion in the state and country at large. This is because financial inclusion entails accessing financial services through various providers which include Banking, Insurance, Capital Market and Pensions etc. The financial sector players basically perform the functions of intermediation of funds by mobilizing deposit from the surplus sector and advancing credit to the deficit sector of the economy. The vibrancies and coverage of the financial system players gives access and options to financial inclusion.

Despite the availability of 2,682 financial services access points, financial inclusion in the state is still low. It is in this respect that this study examines the determinants of inclusion such as financial literacy, financial knowledge, financial awareness, religion, social network, language, norms, access to bank and income in order to understand how they influence financial inclusion in Katsina state, Nigeria.

The study differs significantly, from the existing body of literature because firstly, the use of primary data of multidimensional factors as determinants of financial inclusion in Katsina state, Nigeria, are scarce and incomplete in the existing literature. Previous literature mostly used secondary data and lacks a comprehensive indicator (factors) that can bring together information on determinants of financial inclusion by taking into account both demand- and supply-side information. Hence, this study aims to incorporate multidimensional indicators to fill in the gaps in the literature. Secondly, the study employed binary logistic regression which over comes the weakness in other model applied in the literature. This method allowed for the examination of how different factors statistically influence the likelihood of an individual having a bank account. In addition, this study includes Structural Equation Modeling (SEM) approach was also utilized to assess how the inclusion of attitude, subjective norms, and perceived behavioral control determine financial inclusion in Katsina State.

Literature review

Financial Inclusion is a multidimensional concept that conveys various meanings to scholars, researchers, policymakers and organisations. The multi-dimensions of the concept make it difficult to have a single and universally accepted definition that captures all the contexts. For instance, Omar and Inaba (2020) sees financial inclusion as including the excluded in a financial system of the country and to ensure that the financial and social security needs are taken care of through appropriate financial service providers. While Mohsen et al. (2011) views financial inclusion as the provision of financial services at affordable costs to the low-income segments and sections of the disadvantaged in the society. In the same vein, Pais (2011) revised the definition by stating that financial inclusion is a process that ensures the ease of access, availability and usage of the formal financial system for all members of the economy. Even though the first and second group of scholars have defined the concept based on the availability, accessibility and usage, they did not also include an important dimension of the concept which is the quality of services. Therefore, the Centre for Financial Inclusion at Accion (CFI) 2013 developed a more general definition that captures the access, usage and quality of financial inclusion. It refers to financial inclusion as a state in which all people who can use financial services have access to a full suite of quality services, provided at affordable prices, in a convenient manner, and with dignity for the clients.

On the theoretical ground this research work is further grounded on the theory of information asymmetry which attempts to explain the relationship between two parties whereby one party has more or better information than the other on the subject matter of contract. The theory was proposed by Akerlof (1970) who observes that information asymmetry leads to uncertainty which makes it difficult for one to choose a product based on quality as either being good or bad. Richard (2011) observes that asymmetric information which may lead to a risky behaviour of wrong selection. The theory postulates that in some cases, the disadvantaged party in a financial contract is being exploited because of his ignorance on the value and features of the product or service, while in other cases, the ignorant party is being marginalized in the enjoyment of this service.

Many scholars empirically examined the determinants of financial inclusion in various countries. Previous related researches in this area emerged mostly from the mid-2000s when there was greater availability of financial inclusion data to use in assessing how various factors affecting individual's decision to be financially included.

Zins and Weill (2016) examined the determinants of financial inclusion in Africa using probit regression analysis and concluded that, financial inclusion is significantly determined by gender, education and income. They found out that males with higher income and level education are more likely to be financially included. They also found out that mobile banking as one of the drivers of financial inclusion are also determined by same determinants. The study suggested that financial inclusion policies should be targeted at the groups of population particularly affected by financial exclusion. The limitation of the study is the use of secondary data that is historical in nature, which has not taken into consideration the heterogeneous nature of the African countries which have also taken different financial inclusion measures. This study will fill the data gap thereby using primary data and analyzing it in order to have a more accurate result that will assist in policy rollout.

Rasheed (2017) used generalized method of moments to examine how culture and gender determine financial inclusion and their impact on poverty and inequality in 94 countries. The study found out that culture and gender have a significant positive effect on financial inclusion and further suggested that institutional quality increases financial inclusion. The limitation of the study is that a secondary data was used and that due to the wide coverage of the study area, it may be difficult to arrive at a conclusion because of the heterogeneous nature of the countries involved. This study will use primary data to establish the effect of demographic factors on financial inclusion.

In a similar context, Tita et.al (2017) used cross-sectional regression technique to analyses the effect of financial inclusion on welfare (income inequality) in sub-Saharan Africa and found out that financial inclusion proxied by formal bank account, have a positive relationship with income inequality. However, the evidence suggests that financial inclusion (formal account) is not deepened due to moral hazard and information asymmetry etc. The study therefore recommends efforts to increase formal account usage through the extension of financial infrastructure and some policies that will encourage banks reduce excess liquidity by granting credit that will support economic activities.

Narrowing down the scope of financial inclusion to Africa, Evans and Adeoye (2018) used Arrelano-Bond and Arrelano-Bover/Bundell-Bond methodology to determine financial inclusion in Africa by analyzing 15 African countries for the period 2005 to 2014. The study suggests that per capita income, broad money (% of GDP), literacy, internet access and Islamic banking significantly determine financial inclusion in Africa. The study recommended that government, policymakers and other stake holders should create innovative ways giving access to the financially excluded in Africa. The limitation of the study is that the diversity in African countries, the selection criteria of the 15 participating countries in the study may not give a balanced finding that represents the status of Africa

with respect to financial inclusion. In essence, this study will follow a standard methodology on data collection, analysis and interpretation, and will also assess the financial user's traits to see how they influence the financial inclusion and will finally make recommendations to stake holders on how the financial inclusion can be attained in the area.

In a similar study conducted using Generalized Method of Moment (GMM), Bakari, Idi and Ibrahim (2018) examined the drivers of financial inclusion in the top ten African economies using gross domestic product growth rate as a benchmark. The study period covers 2000 to 2015 and the selected countries also include Angola, Algeria, Egypt, Kenya, Libya, Nigeria, Morocco, South Africa, Sudan and Tunisia respectively. The findings reveal that mobile banking, number of branches, political stability, rate of interest, and inflation positively impacts on financial inclusion, while income, distance to access Automated Teller Machines, and government expenditure negatively impacts on financial inclusion. They recommended that the introduction of appropriate monetary and fiscal policies by the government will increase access to financial inclusion. The limitation of the study is that it assessed the institutional and supply side factors, and as well as some macro-economic variables that influences financial inclusion. To support the growth of financial inclusion, this study will assess the demand side factors and recommends how financial inclusion can be increased.

Abiola et al (2020) comparatively analyzed financial inclusion penetration in Ekiti and Lagos States of Nigeria using logit regression analysis. The result reveals that Lagos has a higher penetration rate of 81% than Ekiti which has 60%, because of higher concentration of banks in the state. It also shows that irregular income, job loss, hidden charges and long queues are perceived barriers that hinders achieving the 80% inclusion rate in the Southwest region of the country. The study recommends intervention policy that considers state-level characteristics amongst other recommendations. This study will assess determinants of financial inclusion using primary data, in other to facilitate penetration of financial inclusion in the study area.

Funsho et al (2020) empirically examined how economic growth is impacted upon through financial inclusion by using autoregressive distributed lag (ARDL) regression to analyses the data. The findings of the study reveal that deposit by rural people and the availability bank branches are significant in the short-run while, only the rural deposit is significant in the long-run. The findings of the study further reveal that growth of financial sector in the country will be based on activities of deposit money banks and regulatory agency's efforts to improve financial inclusion in rural areas and among vulnerable individuals. The study recommended the establishment of rural banks that will provide banking services to the rural dwellers and the vulnerable. The study limited its scope to only two determinants of financial inclusion which include illiteracy and availability of service points. This study will assess the impact of socio-economic and demographic determinants of financial inclusion and will provide recommendations that will assist in tackling both the supply side and demand side determinants of financial inclusion.

Idris (2020) explores the contributions of online banking platforms towards increasing financial inclusion among individuals in northern Nigeria. The result of the survey of 24 interviews analyzed using Nvivo10 reveals that literacy level of the people negatively affects usage of the platforms. Other factors contributing against the uptake of financial inclusion are distance to service area and transaction cost. The study recommended that banks should assist regulators in proffering better online payment solutions and creation of financial awareness. The limitation of the study is that both the sample size and population is not known which makes it difficult to accept any inference made from the study. This research will examine the socio-economic determinants of financial inclusion and how they impact on financial inclusion and usage of financial services (physically and remotely).

Obayori, Chidinma and George-Anokwuru (2020) examined financial inclusion and economic growth in Nigeria from 1981-2018 by analysing a panel data using augmented Dickey Fully (ADF) test. The result reveals that providing access to financial service and the usage of the services have a positive and significant relationship with economic growth. The paper recommended that more policies should target deepening of financial inclusion, providing of more channels that will enable use of these services through ATMs, mobile banking and POS, and as well as creating more awareness or providing financial literacy in rural communities. This study will provide recommendations on how financial inclusion can be enhanced so that it can contribute more to economic growth. The study is limited to supply side determinants of financial inclusion. This study will assess the demand side of financial inclusion so that the combination of the two approaches can provide a recommendation that will lead to the achievement of higher financial inclusion rate in Nigeria.

However, it is pertinent to note that most of the studies previously examined considered few factors as determinants of financial inclusion. The concept of financial inclusion goes beyond few determinants, such as financial access and financial literacy. Hence, assessing the factors that contribute to financial inclusion through a multidimensional approach is underrepresented and lacking in completeness in existing studies. This research seeks to address this gap by examining forty different multidimensional factors as determinants of financial inclusion in Katsina state, Nigeria. Furthermore, this study employs primary data to investigate these multidimensional factors (such as financial access, financial literacy, income, and culture) as drivers of financial inclusion in Katsina state, Nigeria. The effort to assess these determinants of financial inclusion through primary data is also limited and incomplete in the current literature. Most existing studies primarily rely on secondary data and lack a comprehensive set of indicators that can effectively incorporate information from both the demand and supply sides of financial inclusion. Consequently, this study aims to make a valuable contribution to the existing body of literature by addressing these literature gaps.

Methodology

The research design of this study is a survey design using questionnaire to elicit information from the respondents of the study. Thus, the study's population includes all financially

included and excluded adults in Katsina State, amounting to 4,769,510 individuals. Sampling is the selection of a number of study units from a predefined population. Sample is the part of population from which information is collected. In this study, the Yamane (1967) formula for sample size was adopted to arrive at a sample of 480 respondents. The sampling technique used in this research is a multistage sampling as suggested by Sedgwick (2015) and Alvi (2016) who stated that it involves two or more stages of random sampling based on a standardized hierarchy within a population to select a unit of analysis after several stages of sample selection.

The procedure used for the multistage sampling in this research therefore involved sampling and subsampling at various levels, subsequently selecting the required number of elements from the various clusters until the final respondent is reached. The research adopted the multistage sampling technique used by Adejobi and Kassali (2013). In this study, the sampling process began with the division of the state into three clusters as zones i.e. Katsina, Funtua and Daura, based on the classification of National Population Commission. The first cluster which is Katsina zone has 13 local governments, the second cluster which is Funtua zone has 10 local governments and the third cluster which is Daura zone has 11 local governments.

After determining the sample size and sampling technique, the next thing is the selection of method of data collection from pre-determined sample of respondents. This research utilized structured questions to collect the necessary data. Structured questions were chosen because they provide clear and specific answers to the issues under investigation and also save time.

To ease data collection and to avoid missing information, this study used computer designed questionnaire namely, Open Data Kit (ODK) in mobile devices to collect data in the field instead of paper-type questionnaire.

Model Specifications

Leveraging on the applications of standard and logistic regression models by numerous researchers, this study draws from the models by Khandker (2000), Rahman (2010), Khan (2014) and Bhuiyan *et al.* (2015) and incorporated a number of important variables to suit the purpose of this investigation. The logistic regression model is specified as:

$$\ln\left(\frac{P_i}{1-P_i}\right) = \beta_0 + \beta_1 NBB_i + \beta_2 BTF_i + \beta_3 LGR_i + \beta_4 ICC_i + \beta_5 CTB_i + \beta_6 LND_i + \beta_7 BNM_i + U_i \quad (1)$$

Where:

P_i = probability of having financial access

$1-P_i$ = probability of otherwise

NBB_i = No bank branch in the locality

BTF_i = Banks are too far away

LGR_i = Lack of good road to the banks

ICCi=	Insecurity to convey cash
CTBi	= Cost of transportation to the bank
LNDi	= Lack of necessary documentation
BNMi	= Banks not open on market days

$\beta_0, \beta_1, \beta_2, \dots, \beta_8$ are the coefficients of the regressor variables to be estimated. The constant term or intercept of the regression model is denoted by β_0 while U_i symbolises the error term.

This model suggests that financial inclusion is influenced by individual income, those that have income tend to open account than those that do not have. The model includes six (6) variables:

$$\left(\frac{P_i}{1-P_i}\right) = \beta_0 + \beta_1 NEM_i + \beta_2 FAE_i + \beta_3 SIN_i + \beta_4 SIB_i + \beta_5 IRI_i + \beta_6 LSI_i + U_i \quad (2)$$

Where:

P_i = probability that income determine financial inclusion
 $1 - P_i$ = probability of otherwise

NEMi	=	Not have enough money to save in a bank
FAEi	=	Financial services are too expensive
SINi	=	Spend income on the basic necessities
SIBi	=	Spend income to enhance business or farming
IRIi	=	Irregular and reliable income
LSIi	=	Lack of any specific amount as an income

$\beta_0, \beta_1, \beta_2, \dots, \beta_6$ are the coefficients of the regressor variables to be estimated. The constant term or intercept of the regression model is denoted by β_0 while U_i symbolises the error term.

Logistic regression model was used to analyze the financial literacy variables, which were categorized into three dimensions: financial awareness, financial knowledge, and financial attitude with the variables attached to each variable. The model is stated below:

$$\left(\frac{P_i}{1-P_i}\right) = \beta_0 + \beta_1 FIA_i + \beta_2 FIK_i + \beta_3 FIT_i + U_i \quad (3)$$

Where:

P_i = probability that financial awareness determines financial inclusion
 $1 - P_i$ = probability of otherwise
 FIAi = Financial awareness
 FIKi = Financial knowledge
 FITi = Financial attitude

$\beta_0, \beta_1, \beta_2, \dots, \beta_3$ are the coefficients of the regressor variables to be estimated. The constant term or intercept of the regression model is denoted by β_0 while U_i symbolizes the error term.

Under this model, the study evaluates whether cultural factors impact the respondents' decision to not open a bank account. The variables that were used including religion, social network, language, and norms values. The independent variables encompass all the variables attached to each variable.

The logistic regression model was specified below:

$$\left(\frac{P_i}{1-P_i}\right) = \beta_0 + \beta_1 REL_i + \beta_2 SON_i + \beta_3 LAG_i + \beta_4 NOV_i + U_i \quad (4)$$

Where:

P_i = probability that culture determine financial inclusion

$1-P_i$ = probability of otherwise

RELi = Religion

SONi = Social network

LAGi = Language

CUVi = Norms and value

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ are the coefficients of the repressor variables to be estimated. The constant term or intercept of the regression model is denoted by β_0 while U_i symbolizes the error term

Presentation and Analysis of the results

Table 1: Logistic Regression Results: Access as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Repressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
No bank branch in the locality	5.217	1.651	0.406	4.067	0.005
Banks are too far away	3.187	1.163	0.325	3.578	0.010
Lack of good road to the banks	2.091	0.783	0.358	2.187	0.051
Insecurity to convey cash	2.197	0.791	0.401	1.973	0.048
Cost of transportation to the bank	1.842	0.614	0.337	2.590	0.039
Lack of necessary documentation	1.947	0.668	0.269	2.483	0.046
Banks not open on market days	2.256	0.816	0.365	2.236	0.056
Number of Observations	450				
Pseudo R ²	0.376				
Log likelihood	155.091				

Source: Researcher's computation (2024).

The results in table 1 indicate that all independent variables have statistically significant relationship with financial inclusion. The odds ratio of 5.217 indicates that adults living in a locality without a bank branch are over five times more likely to be unbanked compared to those with a local bank branch. This suggests a significantly higher likelihood of low financial inclusion in areas lacking banking facilities. Similarly, the odds ratio (3.187) implies that adults residing in areas where banks are too far away being over three times more likely to be unbanked compared to those with nearby banks. This highlights a significant barrier posed by physical distance to banking facilities.

The results also show that individuals facing poor road conditions to reach banks are twice as likely to be excluded from financial services. Poor infrastructure significantly hinders access to banking. The coefficient is significant at the 5% level ($p = 0.051$), suggesting a notable impact. With a p-value slightly above 0.05, it is marginally significant, suggesting a moderate impact on financial inclusion and leading to rejecting the null hypothesis. This implies that enhancing road quality can help improve financial inclusion. Likewise, people experiencing insecurity while conveying cash are more than twice as likely to be unbanked. Safety concerns are a major deterrent to accessing financial services. The coefficient is significant at 5% level ($p = 0.048$), indicating a relevant impact. The p-value below 0.05 indicates statistical significance, leading to the rejection of the null hypothesis. This finding highlights the need for improving security measures to promote financial inclusion. In addition, high transportation costs increase the likelihood of being unbanked by about 1.84 odds ratio. Financial inclusion is significantly influenced by the affordability of travel to banking institutions. The coefficient is significant at 5% level ($p = 0.039$), demonstrating a clear effect. The statistically significant ($p < 0.05$) of this variable lead to rejecting the null hypothesis.

Table 2: Logistic Regression Results: Income as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Regressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
Not have enough money to save in a bank	4.321	1.462	0.385	3.798	0.003
Financial services are too expensive	2.897	1.063	0.305	3.485	0.014
Spend income on the basic necessities	1.874	0.629	0.298	2.111	0.047
Spend income to enhance business or farming	2.004	0.693	0.378	1.832	0.053
Irregular and reliable income	1.523	0.421	0.221	1.905	0.069
Lack of any specific amount as an income	1.703	0.532	0.257	2.071	0.042
Number of Observations	450				
Pseudo R ²	0.273				
Log likelihood	-180.225				

Source: Researcher's computation (2024).

The results in Table 2 reveal that, not have enough money to save in a bank is a significant barrier to financial inclusion in Katsina state with an odds ratio (4.321). Adults who do not have enough money to save are over four times more likely to be unbanked compared to those who have sufficient money. This highlights a critical barrier to financial inclusion posed by insufficient funds. Similarly, the odds ratio (2.897) implies that, adults who find financial services too expensive are nearly three times more likely to be unbanked. High costs of financial services act as a significant deterrent. The coefficient is significant at 1% level ($p = 0.014$), demonstrating a substantial effect. Reducing the costs of financial services could

enhance accessibility and inclusion. The significance level ($p < 0.05$) suggests this factor significantly affects financial inclusion, rejecting the null hypothesis.

Table 3.

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Regressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
Lack of enlightenment on a bank and its benefits	3.654	1.295	0.352	3.679	0.002
Lack of awareness of the existence of bank that operates based on religious belief	2.453	0.896	0.279	3.212	0.016
Lack of awareness that bank can support business/farming	1.602	0.472	0.264	1.788	0.057
Lack of knowledge on how to open account and operate it	1.892	0.638	0.324	1.969	0.049
Number of Observations	450				
Pseudo R ²	0.273				
Log likelihood	-180.225				

Source: Researcher's computation (2024).

The binary logistic regression results in table 3 provide insight into how financial awareness impacts financial inclusion. Individuals who lack enlightenment about banks and their benefits are over three and a half times more likely to be unbanked than those who are informed. The high t-statistic and low p-value ($p < 0.05$) indicate that this barrier is statistically significant, leading to the rejection of the null hypothesis. This suggests that improving awareness about banking benefits could significantly enhance financial inclusion. Similarly, those unaware of banks operating based on religious beliefs are over twice as likely to be unbanked. The significant t-statistic and p-value ($p < 0.05$) suggest that this factor plays a crucial role in financial inclusion, particularly in a region where religious beliefs significantly influence financial decisions.

Table 4: Logistic Regression Results: Financial Knowledge as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Regressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
Lack of trust on a bank	4.213	1.440	0.377	3.819	0.001
Lack of awareness that you can get a loan from the bank	3.126	1.140	0.321	3.551	0.012
Saving or borrowing from non-formal banking institutions	1.382	0.324	0.271	1.196	0.084
Business partners not accept bank payment	2.047	0.717	0.338	2.121	0.041
Preference to spend money than to save it for a long term in a bank	2.875	0.134	0.052	2.965	0.015
Number of Observations	450				
Pseudo R ²	0.275				
Log likelihood	-181.814				

Source: Researcher's computation (2024).

People who save or borrow from non-formal banking institutions are about 1.4 more likely to be unbanked, suggesting a preference for informal financial systems over formal ones. However, the coefficient is significant at 10% ($p = 0.084$), indicating a moderate but less certain influence. Bridging the gap between formal and informal financial systems could enhance inclusion. Moreover, individuals whose business partners do not accept bank payments are more likely to be unbanked, possibly due to reliance on cash transactions. The coefficient is significant at 5% level ($p = 0.014$), showing substantial impact. Addressing payment acceptance barriers in businesses could foster financial inclusion.

Table 5: Logistic Regression Results: Financial Attitude as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Regressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
Tend to live for today and let tomorrow take care of itself	4.213	2.500	0.750	3.333	0.034
Money is there to be spent not to be taken to the bank	3.126	1.200	0.400	3.551	0.045
Do not need an account because it is not necessary	1.382	0.800	0.300	0.824	0.463
Number of Observations	450				
Pseudo R ²	0.281				
Log likelihood	-180.139				

Source: Researcher's computation (2024).

The results in table 5 revealed that the financial attitude of living for today and let tomorrow take care of itself is the significant factor affecting financial inclusion penetration in the study area (Katsina state). Individuals who tend to live for today and let tomorrow take care of itself are 4.213 times more likely not to own a bank account. The high t-statistic and low p-value ($p < 0.05$) indicate that this financial attitude is statistically significant, leading to the rejection of the null hypothesis. This suggests that promoting long-term financial planning and saving behaviors could enhance financial inclusion. Likewise, the belief that money is meant to be spent rather than saved in a bank increases the odds of not owning a bank account by 3.126 times. The significant t-statistic and p-value ($p < 0.05$) suggest that this financial attitude significantly affects financial inclusion. Addressing this attitude through financial education could improve banking penetration.

Table 6: Logistic Regression Results: Religion as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Regressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
Considering banking to be against religion	3.892	1.357	0.412	3.294	0.024
Interest or usury in the conventional banks	4.201	1.436	0.397	3.617	0.019
Preaching against banking by religious scholars	2.568	0.943	0.334	2.822	0.041
Failure of some banks to operate in consistent with religious belief	3.127	1.138	0.378	3.009	0.037
Number of Observations	450				
Pseudo R ²	0.321				
Log likelihood	-170.332				

Source: Researcher's computation (2024).

The results in table 7 revealed that the religious believe of considering banking to be against religion is the significant factor affecting financial inclusion penetration in the study area (Katsina state). The odds ratio of 3.892 implies that respondents who believe banking is against their religion are approximately 3.89 times more likely to avoid opening a bank account compared to those who do not hold this belief. The coefficient of 1.357 is significant at 5% ($p = 0.024$), indicating a strong positive relationship between this belief and the decision not to open a bank account. This result leads to the rejection of the null hypothesis that "religious beliefs do not significantly influence the decision of individuals to open a bank account in Katsina state."

Table 8: Logistic Regression Results: Social Network as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Regressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
Lack of encouragement from family and friends	2.732	1.004	0.374	2.686	0.015
Do not have somebody that can assist in processing bank transaction	3.145	1.146	0.412	2.783	0.011
Saving and borrowing from trusted person	2.056	0.722	0.331	2.181	0.048
Family member already has an account	1.875	0.629	0.293	2.147	0.052
Occupation don't require that	1.521	0.421	0.247	1.704	0.081
Number of Observations	450				
Pseudo R ²	0.301				
Log likelihood	-170.582				

Source: Researcher's computation (2024).

Table 8 displays the results of the effect of social network on the decision of respondents to be financial excluded in the study area. The odds ratio of 2.732 suggests that respondents who lack encouragement from family and friends are about 2.73 times more likely to not open a bank account. The coefficient of 1.004 is significant at the 5% level ($p = 0.015$), indicating a strong positive relationship between the lack of social encouragement and the decision not to have a bank account. This implies that social support plays a critical role in financial inclusion, and the absence of such support can hinder individuals from engaging with formal banking services. With an odds ratio of 3.145, respondents who do not have someone to assist them with bank transactions are approximately 3.15 times more likely to avoid opening a bank account. The coefficient of 1.146 is significant at 1% ($p = 0.011$), highlighting the importance of having assistance in navigating banking procedures. This suggests that providing support and guidance in banking processes could enhance financial inclusion. Language: This item as a dimension of culture, measures if language influences the decision of the respondent not to open a bank account. It has 2 items as shown in table 9.

Table 9: Logistic Regression Results: Language as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Regressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
Medium of communication in the bank is not in local language	2.832	1.041	0.372	2.799	0.013
Advertisements of the banks are made in English language	3.165	1.153	0.408	2.827	0.011
Number of Observations	450				
Pseudo R ²	0.285				
Log likelihood	-168.952				

Source: Researcher's computation. (2024).

The results in table 10 showed that most of the respondents in the study area failed to open account at a bank because, the medium of communication in the bank is not in local language. The odds ratio of 2.832 implies that respondents who find that the medium of communication in the bank is not in their local language are about 2.83 times more likely to avoid opening a bank account. The coefficient of 1.041 is significant at the 5% level ($p = 0.013$), indicating a strong positive relationship between language barriers and the decision not to open a bank account. This suggests that language plays a crucial role in financial inclusion, and banks should consider using local languages to communicate with potential customers to improve accessibility and inclusion.

Table 11: Logistic Regression Results: Norms and Values as Determinant of Financial Inclusion

Dependent Variable: Financial Inclusion (Ownership of Bank Account)					
Regressors	Odds ratios	Coefficients	Std. Err.	t-stat.	Prob.
The existing bank not established based on cultural values or local people establish one	2.912	1.068	0.385	2.774	0.012
Banks staff don't display the cultural values in their operations	3.054	1.118	0.401	2.788	0.011
Dress code and appearance of the bank staff violates the culture	3.276	1.187	0.428	2.775	0.010
Number of Observations	450				
Pseudo R ²	0.295				
Log likelihood	-165.428				

Source: Researcher's computation (2024).

The results in table 11 showed that the respondents have the view. the existing bank not established based on cultural values or local people establish one. The odds ratio of 2.912 indicates that respondents who feel that existing banks are not established based on cultural values, or that a bank should be established by local people, are approximately 2.91 times more likely to avoid opening a bank account. The coefficient of 1.068 is significant at the 5% level ($p = 0.012$), showing a significant positive relationship between this belief and the decision not to open a bank account. This implies that cultural values are a strong determinant of financial inclusion, and banks may need to align their operations more closely with local cultural values to increase inclusion. The odds ratio of 3.054 suggests that respondents who believe bank staff do not display cultural values in their operations are about 3.05 times more likely to refrain from opening a bank account. The coefficient of 1.118 is significant ($p = 0.011$), indicating a substantial influence of perceived cultural insensitivity by bank staff on financial inclusion decisions. This underscores the importance of training bank staff to be culturally sensitive and respectful to enhance financial inclusion.

To examine these relationships, the study employed Structural Equation Modeling (SEM) to develop and test three models based on the key constructs of TPB: attitude, subjective norms, and perceived behavioral control.

Table 12: Results of Internal Consistency and Convergence Validity

Constructs	Items	Loadings	Cronbach's alpha	Composite Reliability	Average Variance Extracted (AVE)
Attitude	FK1	0.975	0.994	0.931	0.937
	FK2	0.879			
	FK3	0.972			
	FK4	0.967			
	FK5	0.97			
	FL1	0.98			
	FL2	0.979			
	FL3	0.969			
	FL4	0.979			
	FT1	0.982			
	FT2	0.981			
	FT3	0.977			
Subjective Norms	LN1	0.972	0.996	0.910	0.948
	LN2	0.967			
	NV1	0.978			
	NV2	0.894			
	NV3	0.968			
	RE1	0.977			
	RE2	0.977			
	RE3	0.988			
	RE4	0.984			
	SN1	0.98			
	SN2	0.988			
	SN3	0.984			
	SN4	0.987			
	SN5	0.974			
	SN6	0.982			
Perceived Behavioral Controls	FA1	0.972	0.993	0.942	0.925
	FA2	0.973			
	FA3	0.961			
	FA4	0.961			
	FA5	0.966			
	FA6	0.962			
	FA7	0.959			
	IC1	0.972			
	IC2	0.965			
	IC3	0.952			
	IC4	0.929			
	IC5	0.984			
	IC6	0.949			

Source: Researcher's computation (2024). Using SmartPLS-4

The results in table 12 show that the items related to Attitude (labeled as FK1 to FT3) show high loadings (ranging from 0.875 to 0.982), suggesting strong correlations with the

Attitude construct. Cronbach's alpha is very high (0.994), indicating excellent internal consistency. The composite reliability (0.931) and AVE (0.937) also indicate that the items reliably measure the Attitude construct. Similarly, items related to Subjective Norms (LN1 to SN6) have high loadings (ranging from 0.894 to 0.988). Cronbach's alpha (0.996) is extremely high, suggesting excellent internal consistency. Composite reliability (0.910) and AVE (0.948) are also at acceptable levels, indicating good convergent validity. Items related to Perceived Behavioral Controls (FA1 to IC6) also show high loadings (ranging from 0.929 to 0.984). Cronbach's alpha (0.993) is very high, indicating strong internal consistency. Composite reliability (0.942) and AVE (0.925) are also within acceptable ranges, suggesting good convergent validity.

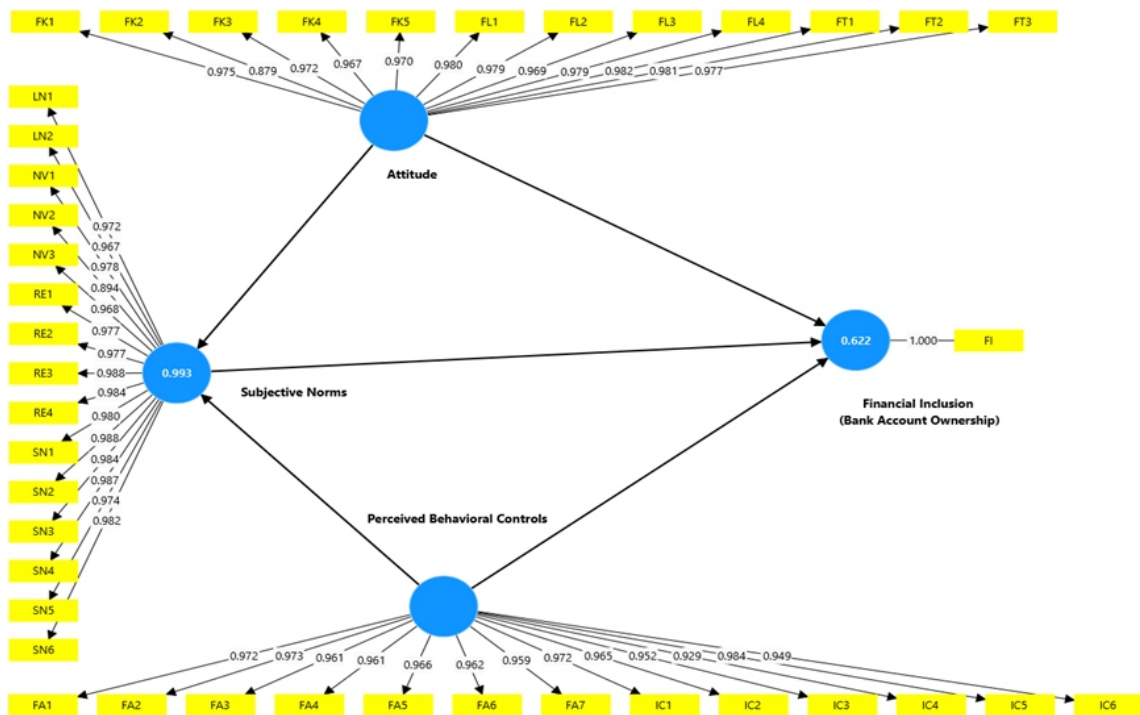


Figure 1: Assessment of the Structural Model

Based on the results in table 12 and figure 1, the constructs of Attitude, Subjective Norms, and Perceived Behavioral Controls appear to be well-defined and reliably measured in the study, as evidenced by strong internal consistency and convergent validity metrics. These findings support the validity and reliability of the measurement model used in the research.

Table 13: Discriminant Validity – Fornell and Larcker

Constructs	Attitude	Subjective Norms	Perceived Behavioral Controls	Financial Inclusion
Attitude				
Subjective Norms	0.853			
Perceived Behavioral Controls	0.796	0.738		
Financial Inclusion	0.854	0.977	0.867	

Source: Researcher's computation (2024). Using SmartPLS-4

The results in table 13 reveal that the diagonal values (AVE) for each construct are reasonably high (above 0.5), indicating that the majority of variance in each construct is due to its items rather than measurement error. The off-diagonal values (correlations between constructs) are lower than the diagonal AVE values, suggesting that the constructs (Attitude, Subjective Norms, and Perceived Behavioral Controls) are distinct from each other, supporting discriminant validity.

After completing the initial phase of SEM, which involves validating the measurement model (confirming that the chosen items reliably measure their respective latent constructs), the focus shifts to the structural model.

Table 14: Results of Models Fitness

Models	R-square	R-square adjusted
Financial Inclusion (Bank Account Ownership)	0.622	0.619
Subjective Norms	0.993	0.993

In Table 14, we observe the R-square (R^2) values for two models: Financial Inclusion (Bank Account Ownership) and Subjective Norms. The model for financial inclusion (bank account ownership) explains a substantial but not complete portion of the variance. The R-square of 0.622 indicates that approximately 62.2% of the variance in bank account ownership is explained by the exogenous variables in the model. This model suggests that variables like attitude and perceived behavioral control significantly influence bank account ownership. However, the influence of these variables may vary depending on the level of subjective norms.

Hence, the high R-square of 0.993 suggests that subjective norms explain about 99.3% of the variation in attitudes and perceived behavioral control related to bank account ownership. This indicates that subjective norms moderate the relationship between attitude/perceived behavioral control and bank account ownership, rather than mediating it. The exceptionally high R-square value of 0.993 in the subjective norms model suggests that subjective norms

strongly moderate the relationship between attitudes/perceived behavioral control and bank account ownership. This moderation implies that the impact of attitude and perceived behavioral control on bank account ownership levels varies significantly depending on individuals' perceptions of societal expectations and norms regarding bank account ownership.

Table 15: Results of Effect Size (f^2)

Dependent Variable: Financial Inclusion (Bank Account Ownership)	
Constructs	Effect Size (f^2)
Attitude	0.031
Subjective Norms	0.450
Perceived Behavioral Controls	0.231

Table 15 show the results of the effect sizes of predictors (attitude, perceived behavioral control, and subjective norms) on financial inclusion (bank account ownership). Attitude has a smallest effect ($f^2 = 0.031$) on explaining variations in bank account ownership. This suggests that while attitude influences financial inclusion (bank account ownership) decisions to some extent, its impact is relatively minor compared to other factors. Subjective norms have a largest effect ($f^2 = 0.450$) on bank account ownership. This suggests that societal or peer influences also play a substantial role bank account ownership.

Table 16: Result of Predictive Power (Q^2)

Constructs	SSO	SSE	$Q^2 (=1-SSE/SSO)$
Financial Inclusion (Bank Account Ownership)	200.000	53.600	0.732
Attitude			
Subjective Norms	150	26.850	0.821
Perceived Behavioral Control			

Note: SSO (Sum of Squares Total): Total sum of squares for each construct; SSE (Sum of Squares Error): Sum of squares of the residuals (errors) in the model.

Table 16 demonstrates that both models (Financial Inclusion and Subjective Norms) have a good fit and high predictive relevance based on their respective Q^2 values. The model for Financial Inclusion predicts 73.2% of the variance in bank account ownership beyond what would be expected by chance. The SSO of 200.000 indicates the total variability in bank account ownership explained by the model and other factors, while the SSE of 53.600 represents the residual variability or error that remains unexplained. The model for Subjective Norms predicts 82.1% of the variance in subjective norms beyond what would be expected by chance. The SSO of 150.000 indicates the total variability in subjective norms explained by the model and other variables, while the SSE of 26.850 represents the residual variability or error that remains unexplained.

Table 17: Results of Path Coefficients (β) Analysis

Relationship	Direct Effect				
	β	S-deviation	T-statistics	P-values	Decision
H1: Attitude -> Financial Inclusion (Bank Account Ownership)	0.472	0.186	2.541	0.011	Reject H1
H2: Subjective Norms -> Financial Inclusion (Bank Account Ownership)	0.752	0.197	3.815	0.000	Reject H2
H3: Perceived Behavioral Controls -> Financial Inclusion (Bank Account Ownership)	0.852	0.223	3.826	0.000	Reject H3
	Indirect Effect				
	β	S-deviation	T-statistics	P-values	Decision
H4: Attitude -> Subjective Norms	0.083	0.058	1.428	0.153	Accept H4
H5: Perceived Behavioral Controls -> Subjective Norms	0.914	0.059	15.549	0.000	Reject H5

The results from Table 17 provide valuable insights into the relationships examined in the study through path coefficients (β) analysis. These coefficients assess both direct and indirect effects on Financial Inclusion (Bank Account Ownership). The findings indicate that Attitude significantly influences Financial Inclusion, with a path coefficient (β) of 0.472 ($p = 0.011$). This suggests that individuals' attitudes play a pivotal role in determining their likelihood of owning a bank account. Similarly, Subjective Norms exhibit a strong positive direct effect on Financial Inclusion ($\beta = 0.752$, $p < 0.001$), underscoring the impact of social influences on financial behaviors. Moreover, Perceived Behavioral Control also shows a substantial direct effect on Financial Inclusion ($\beta = 0.852$, $p < 0.001$), highlighting the importance of perceived ease or difficulty in accessing banking services.

In terms of indirect effects, while Attitude does not significantly impact Subjective Norms indirectly ($\beta = 0.083$, $p = 0.153$), Perceived Behavioral Control exerts a significant indirect influence on Subjective Norms ($\beta = 0.914$, $p < 0.001$). This suggests that individuals' perceptions of their ability to control their financial decisions strongly shape their subjective norms regarding banking practices. These findings collectively underscore the multifaceted nature of factors influencing Financial Inclusion, emphasizing the roles of attitude, subjective norms, and perceived behavioral control in shaping individuals' decisions to own bank accounts. The results validate the hypotheses concerning direct effects (H1, H2, H3), highlighting significant pathways through which these psychological and social factors impact financial behavior. Such insights are crucial for policymakers and financial institutions aiming to enhance financial inclusion initiatives effectively.

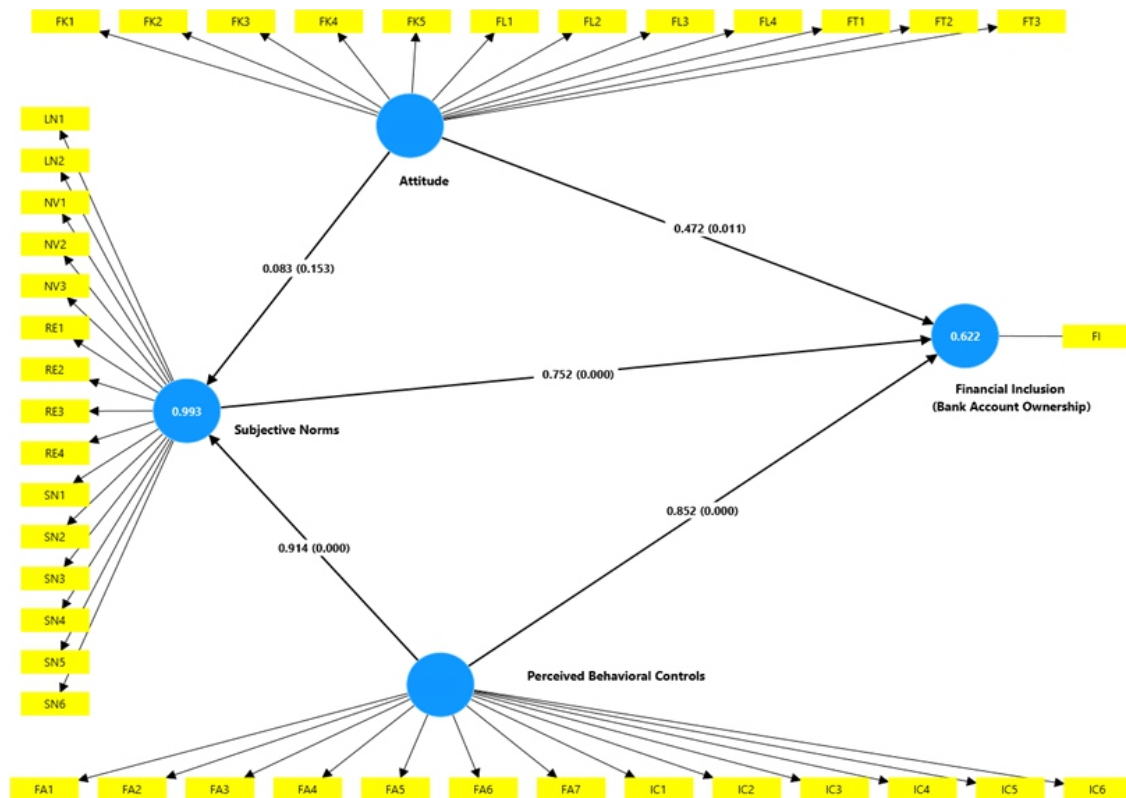


Figure 2: Structural Equation model with path coefficient and p-values from Bootstrapping test

Figure 2 depicts a Structural Equation Model (SEM) that includes path coefficients and corresponding p-values obtained from bootstrapping tests. In SEMs, path coefficients represent the strength and direction of relationships between variables, while p-values from bootstrapping tests indicate the statistical significance of these relationships. Figure 4.3 likely depicts a Structural Equation Model (SEM) that includes path coefficients and corresponding p-values obtained from bootstrapping tests. In SEMs, path coefficients represent the strength and direction of relationships between variables, while p-values from bootstrapping tests indicate the statistical significance of these relationships. The arrows (paths) between variables denote direct effects, and the numbers associated with these arrows, represent path coefficients (β) along with their significance levels (p-values).

Conclusion and Policy Recommendation

This study assessed the determinants of financial inclusion in Katsina state, Nigeria by collecting and analyzing the primary data on the effect of financial access, income level, financial literacy and culture on financial inclusion. Thus, we utilized primary data of multidimensional factors (i.e: access to finance, financial literacy, income and culture) as determinants of financial inclusion in Katsina state, Nigeria. The attempt to assess the determinants of financial inclusion through primary data of multidimensional factors which are scarce and incomplete in the existing literature. To achieve these objectives, the

study employed both descriptive and inferential statistical techniques. Specifically, the study used descriptive statistic and logistic regression methods of data analysis. The results obtained revealed that most of items (variables or factors) used in the study as the determinants of financial inclusion in Katsina state, Nigeria have statistically significant effect on determining how an adult is influenced to open a bank account or otherwise. Therefore, the major finding is that the variables considered in the study strongly influence financial inclusion in the study area. We have found that there is a clear link between the determinants of financial inclusion and the decision of an adults in the study area to open a bank account or otherwise. Therefore, we concluded that these determinants strongly influence financial adoption in Katsina state, Nigeria.

Based on the findings, we suggest the following policy recommendations. Expansion of Financial Services in Rural and Semi-Urban Areas: The Central Bank of Nigeria (CBN) should take initiatives to promote financial inclusion in rural areas. These include the opening of bank branches in remote areas and increase the number of automated teller machines (ATMs). Enhancing Financial Literacy: The Central Bank of Nigeria (CBN) should undertake a project and titled it “Financial Literacy Project”. The objective of the project is to disseminate information regarding the general banking concepts to various target groups especially rural dwellers. To reduce client apathy in adopting financial inclusion initiatives, government/stakeholders should make a concerted effort to drive financial literacy and consumer protection. Take an “an ecosystem” approach to reach scale: Commercial banks should partner with a chain of retail stores to reach remote communities where building a bank branch would be too costly and customers may be intimidated or weary of a large bank. Treat full financial inclusion as a journey and develop multi-product approaches: Addressing all customers' financial needs, such as sending money to relatives and helping them to meet their financial goals, like improving their farming and business. Adopting Local Language: Advertisement in local language, on radio and television, and in print media with local icons and artistes as brand ambassadors of the campaign, could help in building public confidence.

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5TH AFRICAN REGIONAL CONFERENCE ON GOVERNANCE & DEVELOPMENT STRATEGIES

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THE IMPACT OF COMPENSATION SYSTEMS ON EMPLOYEE AND ORGANIZATIONAL PERFORMANCE IN THE NIGERIAN BANKING SECTOR: A CASE STUDY OF FIRST BANK PLC AND FIDELITY BANK

Dr. Oba Abimbola Aina-David

Department of Business Administration and Management,
Moshood Abiola Polytechnic, Ojere, Abeokuta

Abstract

This study investigates the impact of compensation strategies on employee and organizational performance, focusing on First Bank Plc and Fidelity Bank in Nigeria. The primary objective is to examine how compensation systems influence employee performance. The research population comprised 62 staff members from the selected banks. Using ANOVA sampling techniques, a sample size of 54 respondents was selected, out of which 50 completed and returned the questionnaire. Data were presented using frequency tables and percentages to highlight respondent characteristics and responses. Pearson's correlation coefficient was employed to analyze the relationship between variables and test the research hypotheses. Findings from the study reveal a positive correlation between regularity of promotion and employee attitude to work, with a correlation coefficient of 0.402 and a significance level of 0.005. This indicates a statistically significant relationship between promotion practices and employee performance. The study recommends that banks prioritize fair and equitable compensation practices, emphasizing that consistent and transparent promotion systems can significantly enhance employee motivation and overall organizational performance.

Keywords: Compensation management, Employee performance, Job satisfaction, Organizational performance, Banking sector.

Introduction

In today's competitive economic environment, organizations are increasingly recognizing the strategic importance of effective compensation systems. Employee motivation and productivity are critical to organizational success, and compensation plays a central role in shaping employee attitudes and behaviors. This journal explores the link between compensation systems and both employee and organizational performance within the Nigerian banking sector, with a specific focus on First Bank Plc and Fidelity Bank.

Literature Review

Compensation management involves the strategic implementation of policies and practices designed to reward employees fairly for their contributions to the organization. Scholars have emphasized that compensation structures, including salary, bonuses, and promotion opportunities, significantly influence employee satisfaction and performance (Armstrong, 2012; Milkovich & Newman, 2020). In the banking sector, where service quality and customer relations are paramount, motivated employees are vital to maintaining a competitive edge (Dessler, 2020).

According to Igalens and Roussel (1999), there is a significant relationship between reward systems and employee job satisfaction. Similarly, Deci and Ryan (1985) note that intrinsic and extrinsic rewards influence employees' psychological needs, which in turn affect their workplace engagement.

Methodology

This study utilized a quantitative research design. A total population of 62 staff members from First Bank Plc and Fidelity Bank was targeted. A sample size of 54 was selected using ANOVA sampling techniques, and 50 valid responses were analyzed. Data presentation involved frequency tables and percentages, while Pearson correlation was used to determine the relationships between compensation elements and employee performance.

Results and Discussion

The analysis revealed a moderate positive correlation ($r = 0.402$) between regularity of promotion and employee attitude toward work, with a significance value of 0.005. This finding suggests that timely and consistent promotion opportunities positively impact employee morale, commitment, and productivity. The results align with existing literature that advocates for transparent and merit-based compensation policies (Milkovich & Newman, 2020). These findings affirm that effective compensation strategies not only retain top talent but also improve organizational outcomes through enhanced employee performance and satisfaction.

Conclusion and Recommendations

The findings of this study underscore the importance of effective compensation strategies in enhancing employee and organizational performance. The study recommends that banks in Nigeria adopt comprehensive compensation policies that prioritize fairness, transparency, and regular promotion practices. These strategies not only improve employee satisfaction but also contribute to achieving broader organizational goals.

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