



BUSINESS ADMINISTRATION

EFFECT OF WORK LIFE BALANCE ON EMPLOYEE EFFICIENCY IN DEPOSIT MONEY BANKS IN MAIDUGURI METROPOLIS, BORNO STATE, NIGERIA

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Abstract

The study examined the relationship between work life-balance and employee efficiency in Deposit Money Banks in Maiduguri Metropolis. The objectives of the study were to assess the effect of self-Management, time management and stress management on employee efficiency in deposit money Banks in Maiduguri Metropolis. Spillover Theory was to guide the study. The study used a cross-sectional research design. The population is the 438 staff of the Deposit Money Banks. Stratified sampling technique was utilized to get a sample of the study. The sample size is 230. Data was gathered from the sample using structured questionnaire. A survey method was used to collect the data from the respondents. Descriptive statistics and multiple regression analysis were used to analyze the gathered data using SPSS 25. The findings of the study showed a negative relationship between stress management, time management, and self-management and employee efficiency. Thus, it was determined that time and stress management are essential; their absence may result in inefficiency, but their presence does not affect employee efficiency. Therefore, the study recommended that all employees be given access to additional stress and time management guidelines, this might improve their efficiency at work. Similarly, bank employees should have access to more self-management resources, such as childcare services, leisure opportunities, and a licensed counselor.

Keywords:

Employee efficiency, Self-management, Stress management, Time management, Work-life balance

1. Introduction

Employee efficiency is getting specific tasks done accurately and complete according to the organization's standard of performance by the staff of the organization (Sopiah et al., 2020). Therefore, efficiency is very important as it determines the compensation an employee receives as well as the performance evaluation and promotional practices in an organization. Employee efficiency improves business performance, customer satisfaction, and the overall performance of an organization. Employee efficiency has been a concern in many developed and developing economies, since it indicates whether or not an organization is making progress towards achieving its goals or not. Employee efficiency should be given a high priority so as to help employees increase the sustainability of their performance (Imran et al., (2020).

However, if work-life balance is maintained, employee efficiency will increase, according to Thevanes and Mangaleswaran (2018). Work life balance is the ability of employees to strike a balance between their personal and professional responsibilities with enough time for relaxation and pleasure. Strains that work puts on employees and their families have been a trending issue of concern. This is because if employees' lives are

affected by increased stress, it will hinder their efficiency in terms of performance at work, as individuals often consider employment to be an essential part of life. Employee efficiency together with work life balance is one of the most important factors of success at workplace (Ridic et al., 2016)

Studies have shown that workplace will be peaceful and pleasant when the home is happy. Therefore, employees who fail to balance responsibilities will affect their families and careers negatively. Consequently, to balance work and personal life, there is need for banks to consider encouraging their employees to observe self-care, time and stress management in their daily activities (Mmakwe et al., 2018).

This study therefore examined the effect of work-life balance on employee efficiency in Deposit Money Banks in Maiduguri Metropolis, Borno state, Nigeria, by looking at the new dimensions of Work life balance which include; self-management, time management, and stress management, as suggested by Jeff Davidson (1988). Self-management is a means of having knowledge of oneself, controlling and being responsible for one's own conduct so as to perform better. If self-management is practiced, it improves sound behavior at workplace in terms of easy comprehension, good performance together with workplace fulfillment, self-worth, productivity, and acquiring knowledge and success in the workplace.

Time management is drawing up processes and materials to boost output (Daniel & Santeli, 2020). Time management is so crucial as it deals with the of problem of people having too many tasks to finish but with limited time to finish them. Hence, stress can occur in job in so many ways. The following factors causes stress in the workplace, they are - lack of resources, working at late hours, overtime, and organizational climate. Also, job stress always results in unhappiness among the employees, low performance and inadequate cooperation at the workplace.

There are few previous studies and they have failed to provide solution to this issues in their studies which has led to broken homes, polygamous marriages and poor performance at workplace in developed and developing countries, talk more of in the northern Nigeria, Maiduguri Metropolis where none has been carried out to the best knowledge of the researcher. Therefore, to assist deposit money banks employees in achieving and enhancing their efficiency and happiness, effect of work-life balance on employee efficiency was conducted at in Maiduguri Metropolis, Borno state.

Every organisations based its decisions on efficiency of their employees. It is essential because inefficiency can lead to failure. Thus, there are various work-related problems which employee encounters. One of the problems that affect employees at work is lack of self-care. Personal lives of employees are affected as they try to meet up with the target of their workplace which can lead to inefficiency. Majority of bank employees experience stress at work as the Nigeria banking sector is known with employee work overload and longer work hours. This leads to inefficiency among the employees and output and also led to separation among families (Odit, 2023). However, according to the literature examined, work-life balance is a method for increasing employee productivity. The majority of the studies evaluated were conducted outside of Africa, with a few in Nigeria. There has been no empirical study to examine the effect of work-life balance on employee efficiency among employees of Deposit Money Banks in Maiduguri Metropolis. Therefore, the objective of the study is to examine the effect of work-life balance on employee efficiency in Deposit Money Banks in Maiduguri Metropolis.

2.1.3 Self-Management

According to existing literature, the concept has been around for more than a century (Jane, Amelia, & Steven, 2020), and it encompasses management, teaching, spirituality, physical health, and psychology. For instance, self-management approaches are promoted in management to help people become more effective communicators and change makers. Whatever the field of life, the literature already in existence shows that self-management is in use and has benefited people, communities, and businesses in many ways. Jane et al. (2020) defined self-management as identifying one's own behavior and taking responsibility for it.

Self-management is the ability to recognize and control one's temperamental behavior. Another name for it is self-regulation. It is controlling behavior and attitude (Mamartha & Divyashree, 2020). Ramesh et al. (2018) define self-management as the continuous process of controlling our emotions in order to function well. This suggests that those who practice self-management are more likely to perform their tasks very well. They performed the best because they were positive, internally prepared, and easily able to adapt. For the sake of this study, self-management is therefore the process of understanding, regulating, and directing one's own behavior in order to generate a successful performance.

2.1.4 Time Management

Time is a limited asset in the universe; it cannot be regained when lost, collected, or stored like grains, nor can it be switched on or off like a machine or neither can it be gathered like money. If utilized incorrectly, it can ensure success. Task managers must therefore evaluate how often tasks are completed, how successful they are, and how they use time management techniques (Nyamka & Ndang, 2022).

It involves making the proper choice and carrying out the right action. When there are chores to complete but not enough time to do them, time management becomes important. It entails eliminating unnecessary time wasters and focusing on allocating time to different tasks in an appropriate manner. Time management is the process of developing tools and processes to increase output and efficiency (Daniel, 2020). Therefore, time management is the capacity to effectively organize and regulate our limited resources so as to perform at one's best.

2.1.5 Stress Management

According to Dim, Angela, and Gladys (2021), stress is a defense mechanism to an outside event that results in behavioral, psychological, and bodily abnormalities in organizational actors. Another crucial component of work-life balance that affects employee performance is stress management. Effective stress management makes an employee more able to handle pressure and deal with problems at work in a composed manner. Effective stress management encourages workers to be more inventive and creative in addition to improving work completion times (Sawitri, 2024). As a result, the operational definition of the term refers to process of eliminating stress by adjusting to any situation and avoiding multitasking.

2.2 Conceptual Framework

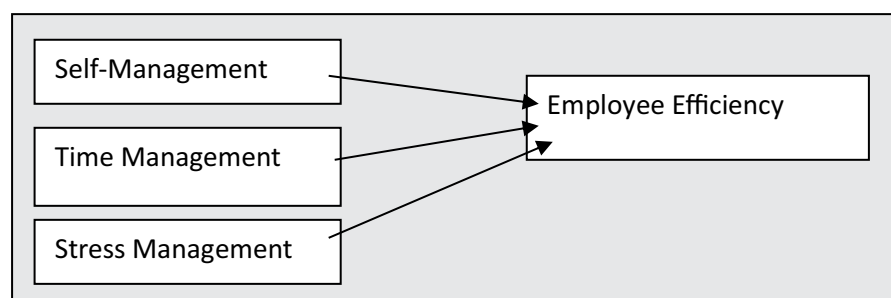


Figure 1: Conceptual Framework for the study.

2.3 Theoretical Framework

Spillover theory was proposed by Staines in 1980. It describes how attitudes from one role, whether positive or negative, spill over into another (family or job). It evaluates the impact of the workplace on the home environment, i.e., how employees transfer their emotions from work to family, which can be positive or negative, and it begins at the individual level, spanning multiple realms but starting at the individual level (Bakker et al., 2009). Positive spillover is the possibility of spreading happiness and success in one area to another, while negative spillover is the possibility of spreading complications and depression in one area to another. The theory acknowledges interaction between two environments; encounter in one role affects the other. According to the hypotheses, an increase in self, time and stress management may result in an increase in job contentment (or displeasure) which will affect the performance. This means that the actions, knowledge, and attitudes, from one environment can transfer to the other (Edwards & Rothbard, 2000).

2.4 Empirical Studies

Baridula et al (2018) examined efficiency and self-management among employees in Port Harcourt's telecom companies. The study used a survey method of data collection by using a questionnaire to collect data. The population consisted of 178 employees, 123 of whom were randomly selected. The hypotheses were tested using Spearman's rank correlation, and the results indicated a strong positive correlation between employee efficiency and self-management. As a result, the study recommended that telecom companies create highly effective self-management strategies that they would then need to train their employees.

Richard (2019) conducted a research on time management and employee efficiency. The study's main explanatory factors were employee efficiency and time management. A quantitative approach was used, and 80 respondents were selected through a simple random process. Categorical data was collected using questionnaires, and descriptive statistics were used to summarize the tables and figures. Chi square was used to assess the hypothesis. The results showed that time management help a business stay competitive and draw in new customers.

Celine (2018) studied how work stress affected employee productivity in a microfinance organization in Cameroon. There were eighty people in the sample. Purposive and basic random approaches were applied. Data was collected through focus groups and surveys. The results demonstrated that the participants' high levels of stress had an impact on their productivity. Many participants said that management was pressuring them to increase their output. According to some employees, a program that is stress-free greatly increases worker and institution productivity. Some people don't think this method can lower stress. According to the study, management should put in place a stress management program to ensure that employees work in a stress-free environment, which will improve performance and increase productivity while also achieving the institution's objectives.

3. Methods

The purpose of this study is to examine the effect of work life balance on employee efficiency in Deposit Money Banks in Maiduguri Metropolis, Borno State, Nigeria. The study is quantitative which allow for the measurement and testing of the formulated hypotheses in order to ascertain the relationship between variables (Creswell, 2013). The population consisted of 438 Deposit Money Bank employees in Maiduguri Metropolis, Borno State, Nigeria.

Respondents were selected using a stratified sampling technique. A sample of 230 employees from Deposit

Money Banks in Maiduguri Metropolis, Borno State, Nigeria, was considered. The sample size was determined using the Taro Yamane formula (1967). The data was analysed using inferential and descriptive statistics and the hypothesis was tested using multiple regression analysis with the Statistical Package for Social Science (SPSS version 25). The study employed a cross-sectional research method and administered structured questionnaires using a five-point scale ranging from 1=Strongly Disagree to 5 =Strongly Agree. The survey method of data collection was used.

4. Results

4.1 Demographic characteristics of the respondents

Table 1: Shows demographic Characteristics of the Deposit Money Banks.

Characteristics	Frequency	Percentage
Gender		
Male	130	56.5%
Female	100	43.5%
Age Range		
18-23	47	20.4%
24-29	103	44.8%
30-37	61	26.5%
38-45	19	8.3%
Educational Qualification		
NCE/ND	59	25.7%
B.Sc/HND	113	49.1%
Masters	46	20.0%
PhD	08	3.5%
Others	05	1.7%
Work Experience		
1-2	58	25.2%
3-5	96	41.7%
6-8	55	23.9%
9-11	13	5.7%
12 and above	08	3.5%
Marital Status		
Married	87	37.8%
Single	96	41.7%
Divorced	27	11.7%
Widow	13	5.7%
Widower	04	1.7%
Separated	03	1.3%
Level in the Organisation		
Top level management		
Middle level management	24	10.4%
Subordinate	51	22.2%
	155	67.4%

Source: field Survey (2024)

4.2 Reliability of the Instruments

The results showed every one of the data are highly reliable. According to Hair et al. (2013) and Pallant (2010), an instrument with a coefficient value of 0.60 is considered bad, 0.70 is acceptable, and 0.80 or above is good.

Table 2: Reliability of the Instruments

S/No.	Variables	Number of items	Cronbach alpha
1.	Self-Management	05	0.820
2.	Time Management	05	0.791
3.	Stress Management	05	0.779
4.	Efficiency among staff	18	0.777

Source: Field Survey (2024)

4.3 Multicollinearity Test based on Tolerance and VIF Values

The variance inflated factor (VIF) and tolerance value tests were undertaken. This suggests that multicollinearity is a worry if the VIF value is greater than 5, and the tolerance value is less than 0.20 (Hair, Ringle, & Sarstedt, 2011; Hair et al., 2013). Table 3 displays the VIF values and tolerance values for the exogenous variables. This demonstrated that multicollinearity does not exist among exogenous variables with overall VIF values less than 5 and tolerance values greater than 0.20.

Table 3: Multicollinearity Test based on Tolerance and VIF Values

Variables	Collinearity Statistics	
	Tolerance	VIF
Self-Management	0.860	1.163
Time Management	0.833	1.201
Stress Management	0.966	1.035

a. Dependent Variable: Efficiency among staff

Source: Field Survey (2024)

4.4 Correlations Matrix of the Research Variables

According to Hair et al. (2007), a collinearity problem exists when predictor variables are extremely connected, with a correlation coefficient of 0.90 or above indicating collinearity between the independent variables. According to Tabachnick and Fidell (2013), it increases the standard errors of the coefficients, making them statistically insignificant. As a result, the correlations between the exogenous latent constructs were sufficiently below the specified threshold value of 0.90 or below, indicating that the latent constructs were not dependent and not strongly associated.

Table 4: Correlations Matrix of the Research Variables

Variables	Self-Management	Time Management	Stress Management
Self-Management	1		
Time Management	0.373**	1	
Stress Management	0.042	0.182**	1

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

4.5 Hypotheses Testing

Hypothesis one indicated that self-management has no substantial influence on employee efficiency in Deposit Money Banks in Maiduguri Metropolis. The study found no significant link between self-management and employee efficiency ($\beta = -0.004$, $t \text{ stat.} = -0.063$, $p \text{ value} = 0.950$). As a result, Hypothesis one, which anticipated that self-management has no substantial effect on employee efficiency Deposit Money Bank in Maiduguri Metropolitan Area, is accepted. Hypothesis two anticipated that time management has no significant effect on

employee efficiency in Deposit Money Banks in Maiduguri Metropolis. The study found no significant influence of time management on employee efficiency in Deposit Money Banks in Maiduguri Metropolis ($\beta = -0.055$, t stat. $= -0.754$, P value $= 0.452$). As a result, hypothesis two, which demonstrated that time management has no significant effect on employee efficiency in Deposit Money Bank in Maiduguri Metropolis, is accepted. Hypothesis three anticipated that there is no significant relationship between stress management and employee efficiency in Deposit Money Banks in Maiduguri Metropolis. The study found no significant correlation between stress management and employee efficiency in Deposit Money Bank employees in Maiduguri Metropolis ($\beta = -0.068$, t stat. $= -1.006$, P value $= 0.316$). Hence, hypothesis three, which demonstrated that there is no significant relationship between stress management and employee efficiency in Deposit Money Banks in Maiduguri Metropolis, is accepted.

Table 5: Results of Relationships (Hypotheses Testing)

Hypotheses	Beta	T Stat.	Sig.	Decision
Self-Management	-0.004	-0.063	0.950	Accepted
Time Management	-0.055	-0.754	0.452	Accepted
Stress Management	-0.068	-1.006	0.316	Accepted

a. Dependent Variable: Efficiency among staff

Source: SPSS Output (2024)

4.6 R Square

The degree of significance of the R square value indicates the degree of the relationship that may exist between self-management, time management, stress management, and efficiency among employees. As a result, the R coefficient is 0.096a, R square = 0.090, and adjusted R square = 0.040. The R² coefficient measures the entire variation in the dependent variables.

Table 6: Model Summary

		Adjusted R Square		Std. Error of the Estimate	R Square Change	Change Statistics		
R	R Square	R Square			F	df1	df2	Sig. F Change
0.096 ^a	0.090	0.040	6.35161	0.090	0.697	03	226	0.555

a. Predictors: (Constant), Stress Management, Self- Management, Time Management

Source: Field Survey (2024)

Discussions of Findings

Hypothesis one found that there is no significant association between self-management and employee efficiency in Deposit Money Banks in Maiduguri Metropolis. Hypothesis two revealed that time management had no significant effect on efficiency among Deposit Money Bank employees in the Maiduguri Metropolis. Hypothesis three results revealed that stress management has no significant effect on employee efficiency in Deposit Money Banks employees in Maiduguri Metropolis. This is consistent with the findings of the empirical studies of (Iskamto, 2021; Daniel, 2020).

Furthermore, the study's findings revealed a negative relationship between self-management, time management, and employee efficiency, as well as stress management and employee efficiency. As a result, it was found that the existence of self-management, time management, and stress management is critical; it has no negative impact on employee efficiency, but its absence may lead to inefficiency. Even though the finding of the study is different from previous findings, such as (Ramesh et al., 2018, Mujanah 2020, Baridulaet et al., 2018, Jane et al., 2020), which showed that self-management influence staff work efficiency, (Daniel et al., 2020 and Emenike et al., 2022) that showed a favourable influence between time management and staff efficiency, and

(Akinsuyi, 2022), which showed that stress management has significant effect on employee efficiency but self-management.

5.2 Conclusion

The findings of the study revealed that self-management, stress management, and stress management have no meaningful link with employee efficiency. The study's findings revealed a negative relationship between self-management, time management, and employee efficiency, as well as stress management and employee efficiency.

5.3 Recommendations

The study recommends that Deposit Money Banks should consider set up family vacations where employees and their dependents would look after themselves. This would not only help the employees feel less stressed at work but would also inspire to per them to do better in their jobs. Employee efficiency and time management were negatively correlated, but there was a significant gap between the employee in the senior level of management and the subordinates.

Therefore, it is recommended that all employees have more access to time management training, so long as it doesn't negatively impact their efficiency. Stress management was found to be negatively correlated with employee efficiency. Thus, this study found that stress-free rules are essential in any organisation and that their absence may cause employees to be inefficiency. Therefore, it is recommended that more stress-relieving services be made available to all employees, such as daycare, recreational opportunities, and a professional counselor. Significantly less stress at work would result from this, potentially preventing a decline in productivity.

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ANALYSIS OF DEVOLUTION OF POWER TO LINE MANAGERS (SHRM PRACTICE) ON EMPLOYEE EFFECTIVENESS

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Abstract

Basically, the extant literature reveals that the systematic implementation of Human Resource practices and policies rest its weights on the needs of the firm which can be translated to employee effectiveness. Despite its importance, there is a paucity of empirical evidences showing the degree to which Strategic Human Resource Management is devolved to line managers. In essence, this study aimed at examining the devolution of power to line managers (SHRM practice) on employee effectiveness. The study employed quantitative method and survey research design. An aggregate of 515 copies of the questionnaire was finally retained for the analysis. Smart-PLS measurement and structural model were the procedures employed to assess and evaluate the statistical significance of relevant path coefficients. The findings of the study showed no influence in the relationship between devolution of power to line managers and employee effectiveness among staff of State Universal Basic Education Board (SUBEB). It is recommended that more in-depth research in this area should be carried out so as to contribute to the accumulation of knowledge in this critical and yet unresolved issues impacting on employee effectiveness.

Keywords:

Devolution of Power to Line Managers; SHRM Practice; Employee Effectiveness

1.1 Introduction

The ongoing interest in SHRM reflects the growing awareness that human resource is the key component that contributes to an organization becoming more effective and achieving a competitive advantage. According to Delery and Doty (2020) the main reasons for emergence are the corresponding search for sources of sustainable competitive advantage and increasingly intense global competitiveness. Considering the above reasons, large question remains unanswered; do organizations actually put SHRM into real practice? And if they do, what are the practices like. Interestingly, there has indeed been a plenty of rhetoric about SHRM. Despite the uncertainties, it is clear that a number of interesting and thorough empirical studies of HRM or SHRM have been carried out which provide some evidence of the way it is applied within organizations (Jain, & Sin, 2023).

The devolution of powers to the line managers promises for the liberation of HR professionals from the burdensome toil of conducting routine techniques leading them to be more involved in strategic business decisions. At the same time, the growing relevance of human resource has added a further rationale for devolution, as this should free up line managers, so allowing them to concentrate on other less mundane areas. The devolution of HRM responsibilities to the line function represents a further important feature of SHRM effectiveness. Although, nowadays, there is evidence of increased line involvement in the management of human resources, however, there is still some resistance to the uptake of HR responsibilities at the line level.

These are basically due to the fact that those responsibilities differ according to specific HRM areas. In line with this, rather than the devolution of responsibilities, what in fact exists is a “partnership” between HR and line managers. Despite the positive rationale for the devolution of HR responsibility to the line managers, there are some criticisms from the line management concerning the lack of contribution by HR specialists (Abdullah, S.R.S., & Keenoy, 2015).

The criticism of devolution of power broadly takes one or more of four forms. Firstly, personnel practitioners are seen as out of touch with commercial realities, unable to comprehend the nature of the business, its customers, or its corporate goals. The allegation is that HR professionals base their decisions on principles that have little relevance for competitive prospects. Secondly, HR is often seen to constrain the autonomy of managers to make decisions that they feel are in the best interests of the business. Thirdly, criticism is that HR managers are unresponsive and slow to act, always wanting to check options thoroughly rather than pursuing a series of actions and worrying about the consequences until later. Finally, HR practitioners are criticized for promulgating policies that may be acceptable in theory, but difficult to put into effect, or inappropriate for their particular workplace. The issue of devolution as the “vicious circle in personnel management”. He argues that senior managers do not involve HR functions in mainstream planning, therefore it results in staff issues being accorded insufficient attention at the earlier stages in the decision-making process (Armstrong, 2021).

The literature on SHRM and employee effectiveness is predominantly western in context. Most of the studies on SHRM practices and employee effectiveness have been conducted in the United States and the United Kingdom, whilst there have been very few empirical studies which shed light on the extent of SHRM practices and employee effectiveness in African and Asian. Practically, much has been made of recent positive contributions on the linkage between SHRM practices and employee effectiveness. However, the precise nature of these linkages is still uncertain and it remains continually a black box yet to be unlocked for a breakthrough in SHRM research. HR has been trying to get these issues on the strategic agenda for years, yet somehow the thought that these HR issues can contribute to business success has not yet been aligned in managers' mind. For HR the main challenge is to ensure that HR strategy genuinely supports the business strategy. This state of knowledge of the application of SHRM in real world business organizations generates a wider space for the present study to address these practical gaps. The objective of the study is to investigate the influence of devolution of power to line managers on employee effectiveness (Jain, & Sin, 2023).

H_{a1}: There is a relationship between devolution of HR function to the line managers and employee effectiveness

2.1 Literature Review

Over the past several decades, considerable research interest has focused on HRM and SHRM. The growing interest in this field of research has been generated by a number of factors. First, it is claimed that the SHRM perspective makes evident that by integrating HRM with the business/corporate strategy leading to the improvement of employee effectiveness. Hence, business success will follow, such as, the firm's productivity and profitability. The firm's ability to employ its organizational capabilities, its ability to assemble, integrate and manage HR is what matters because HR is not inherently productive. Third, it is concluded that HR managers are still confronted with problems in linking HRM and business or corporate strategy and finally, the continuous debate on the lack of empirical confirmation that a strong linkage between these two functions will automatically lead to improve effectiveness (Armstrong, 2021).

The resource-based view theory has been an important step in strategic management, as it has provided a new

point of view to explain organizational success. Drawing on the theoretical insights of the resource-based view, this theory seems to be the most useful and relevant for examining research on SHRM practices and employee effectiveness because it attempts to predict and understand how HR practices that maximally support organizational performance can be developed. The most recent entry into the theoretical discussions of SHRM is a related approach within the strategic perspective on HRM which pertains to the prominence of HR in generating a sustained competitive advantage. It has been coined the resource-based view of the firm (Heraty & Morley, 2020).

2.2 Devolution of HR Function to the Line Managers and Employee Effectiveness

The involvement of line managers in executing HRM functions has always been noted in the literature (Hazman, 2018), but in recent years the line management has been seen to play a more prominent role in HRM due to more HR work being “devolved” to them (Holbeche, 2021). The devolution of HR functions the degree to which HRM practices involve and give responsibility to line managers rather than personnel specialists. The rationale of why line involvement in HRM has come to the fore in recent years is seen by Delery and Doty (2016) to have five main elements: to reduce costs; to provide a more comprehensive approach to HRM; to place responsibility of HRM with managers most responsible for it; to speed up decision making; and as an alternative for outsourcing the HR functions (Dyer & Reeves, 2015).

The devolution of HRM responsibilities to the line function represents a further important feature of SHRM integration. Although there is evidence of increased line involvement in the management of human resources (Eldridge & McCourt, 2023) there is still some resistance to the uptake of HR responsibilities at the line level. Hope-Hailey, Gratton and Truss (2017) have found that responsibilities differ according to specific HRM areas. In line with this, Ivancevich and Hoon (2022) have suggested that rather than the devolution of responsibilities, what in fact exists is a “partnership” between HR and line managers. Despite the positive rationale for the devolution of HR responsibility to the line, there are some criticisms from the line management concerning the lack of contribution by HR specialists.

Generally, the review of the literature on the issue of devolution has produced mixed findings of either positive or negative outcomes. A study by Suleiman (2022) from interview findings, has noted that the interviewees believe it is the line manager's job to take responsibility for certain activities as they are closer to the reality. Moreover, it is the company policy of most organizations to devolve responsibility to the line. The aim is to make the line more responsible, to gain its commitment and to give the line more control. Further, due to the increased level of competition, it has become important to free specialists from routine activities and devolve these activities to the line. This helps in the smooth functioning of the organization.

The devolution of HR functions to the line managers also improves commitment of HR towards organizations, motivates them and helps in maintaining good industrial relations. The positive outcomes of the devolution of the HR function reported by the interviewees include more problems being solved at a lower level, better change management, more responsible line managers, improved efficiency of employees, and more freedom for specialists to move away from routine activities. The main negative outcomes of the devolution of responsibility for HRM include increased pressure to train line managers, problems of maintaining consistency in the system, the need for strict HR auditing, and the problem of maintaining a balance of power between line managers and specialists.

A similar negative outcome was found by Cheng and Huang (2022) argued that through case analysis, the

absence of a designated HR specialist role actually results in quite negative consequences where the scope for strategic integration is significantly impaired. The line managers were left to develop the employees as they saw appropriate without clear direction from the top management. The result was that for many this resulted in a “hard”, resource focused approach. Thus, within the process of devolution, the configuration of responsibilities is still to be resolved.

In a more positive review, (Schuler, & Jackson, 2019). have asserted that extensive participation between HR and line managers can create mutual benefit for both as they jointly contribute to solve business problems. Although such joint ownership seems promising, Storey (2021) noted that there is still some concern that barriers remain to the adoption of general joint arrangements. In addition, line managers may resist empowerment initiatives and fail to see the benefits of the changes. On the other hand, HR specialists consider that line managers may not have the skills to take on personnel responsibilities effectively (Ulrich, 2017).

3.1 Methodology

Research design is a structure, plan, and strategies of investigation conceived to be used and applied in an attempt to get results from the research hypothesis. It is important because it helps in developing mental image of the structure and plans for gathering and analysis of data that will follow. This study employed survey research design as its usually associated with the deductive approach. It is a popular and common strategy in business and management research and is most frequently used to answer who, what, where, how much and how many questions. Surveys are popular as they allow the collection of a large amount of data from a sizeable population in a highly economical way. The sampling technique that was used in collecting data *via* a questionnaire is simple random sampling on the entire selected respondents from the population of 30, 000 employees (Suleiman, 2022). A total of 1,000 copies of the questionnaire were administered to employees of the SUBEB, Bauchi, Nigeria in order to fulfill the minimum sample size requirement. To this effect, the minimum sample size for this study is three hundred and seventy-nine (379) (Krejcie & Morgan, 1970).

The data from the questionnaire was analyzed by using the Statistical Package for Social Sciences (hereinafter referred to as “SPSS”) and Structural Equation Model-Partial Least Square (hereinafter referred to as “PLS-SEM”) to test the research hypotheses constructed in this study. However, interview data analysis was done through content analysis.

In the present study, all the items have exceeded the recommended threshold values for loadings, Cronbach's alpha, composite reliability, and average variance extracted (> 0.7 , >0.7 , >0.7 and > 0.5) on their respective constructs. Exceptionally, item DLM6 was eliminated for having a low loading.

4.1 Findings and Discussions

The Research objective was to investigate the relationship between devolution of power to line managers and employee effectiveness. This objective was aimed at determining whether or not devolution of power to line managers raises employee effectiveness.

H_{a1}: *There is a significant relationship between devolution of power to line managers and employee effectiveness.*

The researcher wanted to know if there was existence of any relationship between devolution of power to line managers and employee effectiveness, the independent variable was devolution of power to line managers

whereas the dependent variable was employee effectiveness which were both measured on the ordinal scale variable. Thus, the appropriate statistical test to respond to the hypothesis was PLS-SEM path model technique. Preliminary analyses were performed to ensure no violation of the assumptions of linearity.

The result of the PLS-SEM bootstrap on devolution of power to line managers and employee effectiveness disclosed that the values for original sample (O), sample mean (M), standard deviation (STDEV), T-statistics ($|O/STDEV|$) and P-values were 0.307, 0.291, 0.167, 1.837 and 0.066 ($P > 0.05$) respectively. Therefore, all the values for such relationships fall short of 2.58 at 0.05 confidence levels using two tail tests (rule of thumb). In essence, Hypothesis H₂ was not supported. Furthermore, the result indicated that devolution of power to line managers could not be translated to the effectiveness of employees in discharging their responsibilities. Table 4.6 demonstrated the result of testing the effect of devolution of power to line managers on employee effectiveness.

Table 4.1: *PLS-SEM Path Model Analysis Result of Devolution of Power to Line Managers and Employee Effectiveness*

Path Coefficient	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T-Statistics ($ O/STDEV $)	P-Values
DEVOL. TO LM->EMP EFF	0.307	0.291	0.167	1.837	0.066

Source: Field survey

Note: ** $p > 0.05$

Table 4.1 indicated that there was a positive correlation between the two variables (T-statistics=1.837 and P-values 0.066 ($P > 0.05$)). Therefore, the second alternate Hypothesis was not supported. This study founds no support for the direct effect of devolution of power to line managers on employee effectiveness. Such result of insignificant correlation coefficient between the two variables shows that the devolution of power to line managers will not lead workers to constantly be effective in delivering their assigned duties and responsibilities. On the other hand, this finding contradicts the provisions of resource-based view theory which explain organizational effectiveness. The theory seems to be the most useful and relevant for examining research on SHRM practices and employee effectiveness because it attempts to predict and understand how HR practices can be developed to maximally support organizational effectiveness. It assumes that firms within an industry may be heterogeneous with respect to the strategic resources they control. Also, these resources may not be perfectly mobile across firms, and thus heterogeneity can be long lasting.

Empirically, similar negative outcomes were found by Cheng (2016) who argued that through case analysis, the absence of a designated HR specialist role actually results in quite negative consequences where the scope for strategic integration is significantly impaired. The line managers were left to develop the employees as they saw appropriate without clear direction from the top management. The result was that for many this resulted in a “hard”, resource focused approach. Thus, within the process of devolution, the configuration of responsibilities is still to be resolved. The line management has been seen to play a more prominent role in HRM due to more HR work being “devolved” to them. The rationale of why line involvement in HRM has come to the fore in recent years (Delery & Doty, 2016). Additionally, the devolution of HR responsibility to the line and to HR consultants promises a liberation of HR professionals “from the burdensome toil of conducting routine techniques” leading them to be more involved in strategic business decisions. At the same time, the growing relevance of e-HR, has added a further rationale for devolution, as this should “free up line managers, so allowing them to concentrate

on other less mundane areas such as training and development” (Currie, & Procter, 2021).

Practically, the result on the devolution of HRM functions to the line management indicates no devolution of HRM functions to the line management. However, the devolution of HRM functions among SUBEB, Bauchi employees was less in terms of implementation of tasks and decision-making power. Similarly, it was acknowledged that the devolution of HR functions to the line management should allow HR professionals to devolve more time to perform a more strategic role. Nevertheless, the devolution of HR functions to the line management was never unproblematic. Therefore, HR departments should no longer be viewed as doing administrative functions or solely as support functions. Undeniably, SUBEB employees are adopting some of the good practices from the HR professionals who take a lead role. However, the finding of this study indicated the lack of rigor in their actual SHRM practices. In other words, strategically, SUBEB has a mission statement, corporate statement, business/corporate strategy and HR strategy which were in either written or unwritten form. This is because it is not possible to achieve devolution of power to line managers without having an explicit mission statement, corporate statement, business/corporate strategy and HR strategy.

5.1 Conclusion and Recommendations

Generally, despite some contradictions as to actual practices, the overall impression gained from the survey data findings is that there is considerable diversity in the ways in which SHRM practices have been adopted in SUBEB. Within this review, however, devolution of power to line managers appears that full devolution is yet to be realized among employees of SUBEB in particular. In view of the inconsistencies between the findings, there is evidence to suggest that employees of SUBEB are becoming more strategic in their approach to HR management albeit gradually. However, it can also be inferred that not all departments are adopting the SHRM approach. The results of this study have important implications to theory, methodology, and practice. These findings are in line with the generalizability of the theory across different settings. It is also critical to consider how the methodological approach as well as Nigerian strategic human resource practitioners and other part of the world are involved in making good utilization of these findings to improve their employee's effectiveness. The implications are thus discussed in the following sub-sections.

It recommended that future researchers should consider the practices contributed to the effectiveness of the strategic integration of HRM such as the company's emphasis on TQM, the use of multifunctional work teams, the broad job classification systems, the policy of HR personnel reporting directly to the Managing Director through a formal reporting mechanism, early consultation from the outset on policy development and implementation, close communication and relationships, team building, HR understanding of business operation, top-down and bottom-up communication, decentralization of the training and development functions, and management support and commitment. Lastly, research on devolution of HRM functions to line management and barriers to effective implementation of bundles of SHRM practices need to be conducted in industries other than educational boards.

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STRATEGIC BRAND EXTENSION AND MARKETING PERFORMANCE IN SELECTED BEVERAGE FIRMS IN NIGERIA

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ABSTRACT

Examining the impact of strategic brand extension on the marketing of beverage companies in Nigeria is the primary goal of the study. The sample size was calculated using the Taro Yemani formula from a population of 701, and respondents were chosen using the survey research design approach to represent the population. Multiple regression and simple percentages are among the statistical approaches employed. The study's conclusions demonstrated that every aspect looked at, including brand awareness, line extension, category extension, and existing family brand, was a positive and important component in marketing performance. And that extension has the most impact, followed by brand awareness, the family brand that already exists, and category extension, in that order. In order to improve marketing performance, the study concluded that the organizational performance of beverage companies in Nigeria was positively impacted by the brand extension strategy dimensions. Among other recommendations, the study suggests that both current and prospective beverage companies in Nigeria make a concerted effort to implement brand extension strategies in this dimension.

Keywords:

Brand awareness, Category extension, Existing beverage, Line extension, Organizational performance

1.Introduction

The term brand or branding is the origin of the idea of brand extension (Dahlberg, Kulluvaara, and Tornberg, 2004). Branding is the act of giving a product a unique identity, making it easier for people to remember the product's name, qualities, and values, forming preferences, habits, and loyalty, and strengthening the bond between a brand and its customers. By identifying the product and giving it the ability to be positioned in relation to other products, branding helps the consumer's memory process. Furthermore, because of the respect that has been developed for the brand name, branding has the power to change a product and increase its value (Wells, Burnett, and Moriarty, 2000). To brand plainly means to burn a mark on something or an object.

Marketing performance and brand extension plan are related. The strength, diagnosticity, and uniformity of the extension experience are the three main causes of parent brand dilution, which only occurs under specific circumstances, according to research by Keller (2003). In addition to the study's emphasis, businesses that produce soft drinks on a large scale and others that are either entirely or partially in the same class have clearly looked into ways to reach their target market with new goods sold under well-known brand names. Coca-Cola is

a prime example, having used international brand names like "Coke" to both maintain its current market share and expand into new regions with new products.

Consumers of Coca-Cola soft drinks frequently use new Coke-branded soft drinks, such as diet Coke, Coke lite, Vanilla Coke, Coke free, and others, in the Coke family today. With minimal attention to the Nigerian soft drink market, previous studies have looked at the effects of brand extension across a number of industries using a variety of measuring indices. The impact of strategic brand extension on the performance of Nigerian beverage companies has been examined in earlier studies. For example, Kalu, Anyanwu, Samson & Udo (2014), Kazemi et al. (2013),

This study is to investigate the impact of four particular brand extension strategy elements on the marketing performance of soft drink firms in Nigeria, as previous research by Mwangi (2013) and others was restricted to a particular set of criteria. As a result, the study filled a vacuum in the literature about the four variables under investigation. In order to close this gap, the study used the Nigerian soft drink bottling and marketing industry to investigate how much brand expansion influences marketing performance.

The survey claims that soft drink firms have lost loyal customers over time due to their inability to adjust to the ever-changing tastes and preferences of their customers. As a result, a lot of brands are no longer in business, and when consumers' tastes and preferences change and certain product brands no longer cater to them, switching is unavoidable. However, rapid technological advancements, shorter product life cycles, increased competition due to lower trade barriers, and globalization have all fueled the need for a corporation to have unique core competencies and brand extension.

Research Questions

This study was guided by the following formulated research questions

1. What is the effect of Category Extension on performance of Beverage firms in Nigeria?
2. To what extent does Line Extension affect performance of Beverage firms in Nigeria?
3. What is the effect of Existing Family Brand on performance of Beverage firms in Nigeria?
4. What is the effect of brand awareness on performance of Beverage firms in Nigeria?

2. Review of Literature

2.1 Brand Extension Strategy

The American Marketing Association (AMA) defines a brand as a name, phrase, sign, symbol, or blueprint, or a combination of these, that is intended to distinguish the products and services of a particular supplier or group of suppliers from those of the participant. To put it briefly, a brand is what a seller pledges to continuously offer a distinct set of benefits and services to the customers. Coca-Cola, McDonald's, Mercedes-Benz, and Sony are a few examples of well-known brands (Keller & Lehman, 2006).

The reduced marketing, research, and advertising expenses linked to a new product's debut, as well as the higher probability of success that results from a higher preference derivative from the core brand equity, are often seen as advantages of this strategy. Additionally, a brand extension could lead to mutual advantages that boost the equity of the parent brand (Chen & Liu 2004).

According to Keller (2008), attitudes are the consumer's overall assessments of the brand. The consumer's

perception of a brand influences whether or not they will purchase, like, and stick with the product. An unenthusiastic attitude is nearly impossible to change and typically results in the consumer avoiding the brand. One of the most important factors in determining whether or not the consumer accepts the extension is their attitude about it. The product brand image will benefit from a high attitude toward the extension; if it is poor, the product brand image will suffer from negligence. Thus, it would be easy to argue that building good brand associations is essential to a marketing program's success (Keller, 2008), and that these favorable views positively affect the image of the product brand. Because it forms the foundation of the brand selection process, attitude toward products is significant (Keller, 2008). The total of consumer opinions regarding a good or service, multiplied by the degree to which each opinion is valued, is the model of brand attitudes.

Dimensions of Brand Extension Strategy

These key brand extension strategy dimensions—which include category extension, line extension, existing family brand, brand awareness, brand credibility, brand image, brand equity, and others—were taken from the works of Chen & Liu (2004), Tauuber (2008), Keller & Lehman (2006), and others. However, the study concentrated on the first four of the aforementioned.

2.2 Category Extension

Kotler & Armstrong (2010) define category extension, often known as brand extension, as a tactic whereby a business employs the same brand to enter a totally unrelated product category. To boost market acceptance, the company launches the new product by leveraging the success and brand equity of its current brand (Kotler & Armstrong 2010). According to Moorhti (2003), brand extension is the process of extending a brand into new markets or geographical areas. A soft drink manufacturer launching a line of juices or bottled water products under its own label is an example of brand extension.

Because the brand or firm has a traditional name, it might force consumers to try new products that are completely different from its previous product lines (Moorhti, 2003). Dahlberg et al. (2004) state that customers are very receptive to offers, particularly when they are marketed, and that sales turnover is almost always increased throughout the brand extension period. Additionally, it is seen as a marketing performance metric that demonstrates how quickly sales are acquired through brand extension tactics (Nwielaghi, 2003). According to Buday (2002), one of the primary determinants of whether or not to expand a brand is the new product's sales potential. Consequently, category extension is more effective at utilizing the financial budget, enabling marketers to lower expenditures and generate a respectable return on even low-volume products. Buday (2002).

2.3 Line Extension

Kotler & Armstrong (2010) define line extension as the growth of an already-existing product line. A soft drink company might, for example, add a "Diet" or "Cherry" flavor to its cola lineup. According to Keller and Aaker (1992), line extension is the employment of the present brand name in a new market segment inside the brand's current (same) product category. Examples of line expansions include Vanilla Coke, in which the Coke brand enters the cola soft drink market and introduces a new flavor to appeal to consumers who prefer vanilla flavors. To put it briefly, line extension broadens the product offering in order to attract a diverse clientele and entice existing clients with new choices (Keller & Aaker 1992).

Sales or changes in market share of the extension product or sales and changes in market share of a brand in its category are examples of market performance outcomes of line extensions that are rarely studied. Even fewer studies look at how different line extension strategies affect brand market performance, such as the effects of vertical versus horizontal line extensions on performance variables. Second, there were conflicting results

regarding (1) the impact of product line length on market share (Kekre and Srinivasan 1990; Draganska and Jain 2005; Bayus and Putsis 1999) and (2) the relative significance of horizontal versus vertical line extensions on brand performance (Draganska and Jain 2005, 2006; Nijssen 1999; Randall, Ulrich, and Reibstein 1998). These findings were derived from the literature on product line extensions.

2.3 Existing Family Brand

Boone & Kurtz (2015) state that employing a single brand name to market and sell your product ranges is known as umbrella branding or family branding. Therefore, using a family brand makes it simple for your customers to locate products made by your business, even if they don't share many characteristics. Individual branding and family branding were the two forms of family brands that Boone and Kurtz (2015) compared. Both big and small businesses can use individual branding. For every product it offers, a business may have a different name, logo, and marketing approach. Each product can have a separate and unique category thanks to individual branding.

, This enables a business to launch items that are very distinct from one another and promote its goods to demographic groupings that are unmatched (Boone & Kurtz 2015). Customers can become more familiar with a product's name and logo through family branding, which may facilitate the introduction of new products due to name fluency. Businesses that employ family branding must ensure that every product meets extremely reliable quality requirements because one or two subpar goods might damage the reputation of the family brand (Boone & Kurtz 2015). Moorhti (2003) states that umbrella branding, often known as family branding, is a marketing tactic that employs a single brand name to market two or more related products. Companies that employ umbrella branding the most are those with substantial brand equity, or the value of a brand in a specific market.

2.4 Brand Awareness

The ability of a consumer to identify a brand as belonging to a particular product category is known as brand awareness. Customers' perception of a brand is reflected in its level of awareness (Aaker, 1991). It need to take place irrespective of the external conditions, including time and place. Customers may associate the brand name with the associated brand knowledge, which ultimately makes up brand equity (Aaker, 1991). Last but not least, brand awareness informs the consumer that the product is of superior quality. Brand awareness, which is sometimes underestimated, is the first and most crucial element of customer brand equity (Tong & Hawley, 2009). According to Campbell and Keller (2003), familiarity is the customer's mental knowledge of the brand. Based on a customer's evoked response, known brands differ from unfamiliar ones. Consumers associate well-known products in various ways, whether for personal or family use, through acquaintances, or through contacts in advertising or the media.

Customers who are familiar with a brand name are more likely to have positive opinions of it than those who are unfamiliar with it. "Consumers must understand the brand-specific involvement in order to recognize the brand's appropriateness in the extension category" (Broniarczyk & Alba, 2004). Consequently, a customer's familiarity with the brand will improve the extended product's reputation. It is still unknown how familiarity affects the customer's assessment of extensions, even if its role in creating brand image is evident. Customers rely on the brand's familiarity and quality to build their opinions when there is little brand knowledge.

2.5 Marketing Performance

Some scholars argue that the term "performance" is not consistently used in this context because some authors use the terms "productivity" and "performance" interchangeably (Jackson et al., 2004). Since the proper method of evaluating marketing performance has long been a source of debate in the literature, academics have held the opinion that performance evaluation should be based on how well it contributes to the accomplishment of

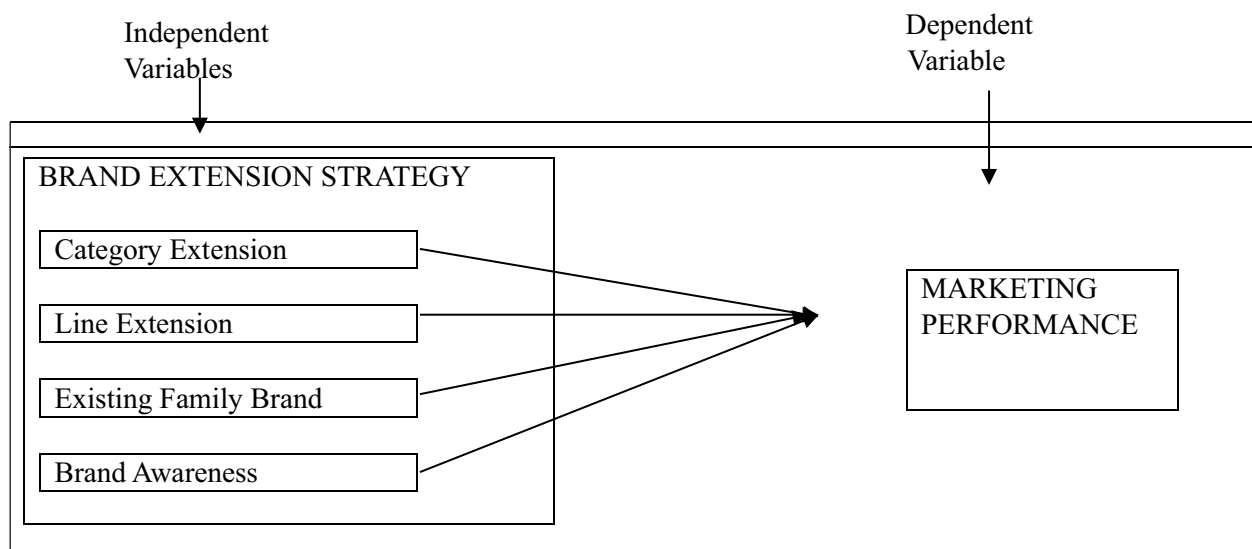
corporate goals in direct proportion to the firm's stated strategy (Asiegbu et al., 2011).

According to Asiegbu et al. (2011), for example, the assessment of marketing functions can be separated into three categories: performance, utilization, and productivity. Performance is defined as the ratio of actual output to standard output, utilization as the ratio of capacity used to available capacity, and productivity as the ratio of real output to real input. According to Asiegbu et al. (2011), performance measurement is essentially an examination of how well and efficiently a task is completed in order to improve a company's marketing performance in terms of sales volume, sales growth, and profitability.

The percentage of total sales in a market or industry that a particular company generates over a specified time period is known as its market share. The company's sales for the specified time period are divided by the total sales for the industry during the same time period to determine the market share. This metric is meant to give a general idea of how big a firm is in relation to its rivals and the market. The percentage of total revenues that a business has in relation to the market it serves is known as its market share. For instance, a company's market share for drinks would be 50% if it sold \$100 million worth of beverages domestically and \$200 million worth of drinks in Nigeria (<http://www.businessdictionary.com/definition/market-share.html>).

According to Reddy et al. (1994) and Cook (1985), market share is a useful relative indicator of success and position in the marketplace. Because it is directly linked to profitability, managers use it extensively in addition to dollar and volume sales (Reddy et al. 1994).

2.6. Conceptual Framework



Source: Researcher's Model, 2024.

A conceptual representation of the variables being studied and their proposed correlations is shown in Figure 2.1.

2.7 Resource-Based View Theory in Marketing

The firm's resources are stressed by the resource-based view (RBV) as the fundamental determinants that affect performance and competitive advantage. Two assumptions are made when looking at sources of competitive advantage (see, for instance, Barney (1991) and Peteraf & Barney, 2003). Initially, this model assumes that businesses within an industry or strategic group may have different resource collections. Second, it posits that resource heterogeneity may endure over time since the resources needed to carry out businesses' plans are not

totally transferable between enterprises (some of the resources are hard to gather and duplicate and cannot be traded in factor markets). Resource heterogeneity is necessary for a resource bundle to provide a competitive advantage.

Many resource-based studies have recently focused on intangible assets, including knowledge (e.g. Spender, 1996), information (Sampler, 1998), and dynamic capacities (Teece, Pisano & Shuen, 1997). This theory suggests that the resource-based perspective of the business forecasts that specific resources that businesses own and manage have the potential to generate competitive advantage and, eventually, superior firm performance (Ainuddin et al., 2007).

2.8 Empirical Review

The impact of brand extension strategy on the marketing performance of Nigerian soft drink bottling companies was examined by Kalu et al. (2014). 98 copies of the questionnaire were given to sales managers, marketing managers, commercial managers, and sales leads in accordance with the target audience of the selected firm under investigation. The extended brands of the parent products account for a sizable portion of the total soft drink products sold annually, according to data analysis using descriptive tables and the SPSS package's Pearson Correlation Coefficient. Consequently, the study found that the collective Fit perception and other aspects of product category match have a significant impact on a company's overall marketing performance. As long as the company's core brands are shielded from image dilution, it was suggested that businesses maintain a favorable perception of their core brands on extended brands that are intended to provide bundles of superfluous solutions to satisfy demand. This will serve a wide range of clientele, preserving company relevance while generating revenue through steady sales growth. The study partially concurred with the reviewed study that a company's total marketing success might be impacted by more than one brand extension plan component.

Instead, the study linked sales growth to product category similarity, which is related to brand image. On the other hand, consumer perceptions of a brand include brand association and brand awareness. Chen and Gu (2012) investigated the opportunities and challenges a company faces when implementing its brand extension strategy. Two brand extension instances are compared using four components of Aaker's brand equity: perceived quality, brand association, brand awareness, and brand loyalty. The survey was carried out in Japan and the United Kingdom. The findings showed that regardless of how great the original brand is, challenges always arise in brand expansions.

Similar to this, Hariri & Vazifehdust (2011) use random categorical sampling to gather 391 responses in order to examine the effect of brand expansion on a brand's existing image. The variables employed in the study are extension mindset, perceived fit, and brand image. The hypothesis was tested using linear regression and path analysis. The study's conclusions indicated that an extension attitude would be more enhanced the greater the perceived match. According to the survey, if a company wants to expand its brand, it must enhance its current image.

According to the study's goals, the researcher identified four dimensions of a gap in the literature from the reviewed literature. In this study, category extension was found to have a significantly positive impact on sales growth more so than other measures of marketing performance in a soft drink company. A business could launch new items, achieve optimal distribution, and boost sales by extending its category. Because the average unit of sales rises in proportion to the number of items a company introduces under the parent brand. If a corporation wants to increase sales, it should use the category extension plan to draw in additional customers.

3. Methodology

3.1 Research Design

The survey research design approach was used in this study because it enabled the researcher to gather the necessary data and provide answers to the questions in order to accomplish the study's goals. Additionally, it protected against tampering by researchers (Osuala, 2005). Senior, middle, and lower management personnel as well as part-time and full-time employees of the five (5) soft drink companies chosen from Ogun and Lagos states in Nigeria make up the study's population. Since all soft drink firms are headquartered in the industrial states of Ogun and Lagos, the researcher had an excellent geographic position to analyze these enterprises.

The researcher selected five (5) companies from the current soft drink firms in the market because of geographical limitations that prevented the researcher from studying the complete population of these enterprises.

Table 3.1 shows the population spread of staff from the selected

S/N	Soft Drink Companies	Staff
1	La casera company Ltd	138
2	7up Bottling Company Plc	144
3	Vital Malt Plc	135
4	Coca Cola Nigeria Ltd	154
5	Bobo Food & Beverages	130
Total	5	701

Source: (Human Resources Department of each firm, 2024).

For the benefit of this study, the appropriate number of representations of the population for the study would be determined using Yaro Yamen's sample size formula as in (Osuala, 2005).

$$n = \frac{N}{1 + N(e)^2}$$

Where n= sample size

N= population size

e = level of significant (0.005)²

Workings reveal the sample size of the study below;

$$N = \frac{701}{1 + 701(0.005)^2} = 255$$

Therefore, the sample size was 255 staff.

A structured questionnaire was employed as the study tool, and the respondents were requested to provide responses on a five-point Likert scale, ranging from strongly agree to strongly disagree. It is used in this study because it is very well suited for measuring or acquiring evaluative reaction towards an object (Yomere & Agbonifoh 1999), which requires a thorough assessment of his attitude indicating how well he agrees or disagrees with a statement. Numbers were allocated to the Likert scale system, ranging from: One (1): For strongly disagree; Five (5): For highly agree; Four (4): For agree; Three (3): The Undecided; and Two (2): For disagree.

3.2 Validity of Research Instrument

Therefore, a panel of knowledgeable professors from Delta State University's Faculty of Management Sciences, Anwai Campus, evaluated the research instrument through content validity. The researcher may test the validity or how well the instrument meets the measurement standards using their own judgment or a panel of experts, as noted by Cooper and Schindler (2006), referenced in Maseko (2010). A CA score of 0.6 or above is considered appropriate (Malhotra 2004). The reliability of the questionnaire was estimated using the Cronbach Alpha Index. As seen in the table below, all values were over the 0.6 threshold of the Cronbach Alpha value suggested by Malhotra (2004), indicating that all questions had favorable, dependable scores.

Reliability Statistics of Data Collection Instrument

VARIABLES	CRONBACH'S ALPHA (α)
Category Extension	0.763
Line Extension	0.747
Existing Family Brand	0.749
Brand Awareness	0.652
Marketing Performance	0.743

Source: SPSS

In order to develop generalizations and draw conclusions for the study, both descriptive and inferential statistics were used in the data analysis. Both numbers (mean and standard deviation) and diagrams (tables and percentage figures) are included in the descriptive statistics. All of the hypotheses were tested for links between variables using inferential statistics like the correlation coefficient. This study was aware of the necessary assumptions; for example, the Likert scaling format was used to satisfy the interval scale requirement for the correlation coefficient.

various regression analysis was utilized to determine the predictive abilities of the independent variable indicators as measures in accounting for changes in the dependent variable because the study's variables are various. The Statistical Package for Social Sciences (SPSS) 21 was used to code the data once it was extracted from the distributed questionnaire in order to perform regression and correlation.

4. Results

Of the two hundred and fifty-five (255) sets of questionnaires that were distributed, 241 were returned, 11 were incorrectly completed and rejected, and 230 were usable. Thus, the sample size of 230 copies serves as the foundation for this chapter's study.

Category extension

S/N	Statement	SA 5	A 4	UD 3	D 2	SD 1	Means
1	My company new products and services are marketed by the parent brand to increase sales growth	58 (25.2)	56 (24.3)	36 (15.7)	36 (15.7)	44 (19.2)	3.4
2	My company products niche marketing is done by the parent brand to increase sales growth	87 (37.8)	86 (37.3)	32 (13.9)	7 (3)	18 (8.1)	4.1
3	My company products distribution is done by the parent brand to increase sales growth	82 (35.7)	62 (27)	31 (13.4)	25 (10.9)	30 (13)	3.6
4	Our products and services are best sold by the parent brand to increase sales growth	77 (33.5)	72 (31.3)	37 (16.1)	17 (7.4)	27 (11.7)	3.7
	Mean of means						3.7

Line extension

S/N	Statement	SA 5	A 4	UD 3	D 2	SD 1	Means
5	My company has strong tendency towards innovation to increase sales volume	96 (41.7)	66 (28.7)	31 (13.4)	16 (7)	21 (9.2)	4.0
6	We promptly make effective changes in different brands to increase sales volume	56 (24.3)	90 (39.1)	39 (17)	25 (10.9)	20 (8.7)	3.6
7	My company valued substitute in need satisfaction to increase sales volume	101 (43.9)	86 (37.3)	11 (4.8)	16 (7)	16 (7)	4.3
8	When it comes to problem solving, we regard implementation of plan 'B' to increase sales volume.	116 (50.4)	71 (30.9)	17 (7.4)	16 (7)	10 (4.3)	4.3
	Mean of means						4.1

Existing family brand

S/N	Statement	SA 5	A 4	UD 3	D 2	SD 1	Means
9	My company products have the same identity with parent brand to increase profitability.	71 (30.9)	81 (35.2)	31 (13.4)	26 (11.3)	21 (9.2)	3.8
10	The brand images familiarity of my company products are traceable to parent brand to increase profitability.	66 (28.7)	91 (39.6)	36 (15.7)	16 (7)	21 (9.2)	3.9
11	The loyalty of my company's products is seen in the parent brand to increase profitability.	77 (33.5)	72 (31.5)	37 (16.1)	17 (7.4)	27 (11.7)	3.7
12	The compatibility of my company's products is seen in the parent brand to increase profitability.	101 (43.3)	86 (37.3)	11 (4.8)	16 (7)	16 (7)	4.3
	Mean of means						3.9

Brand awareness

S/N	Statement	SA 5	A 4	UD 3	D 2	SD 1	Means
13	The recognition of my company products is easily seen in the parent brand to increase market share.	56 (24.3)	58 (25.2)	36 (15.7)	36 (15.7)	44 (19.1)	3.4
14	The recall process of my company products could be easily done by parent the brand to increase market share.	106 (45.2)	56 (24.3)	11 (4.8)	31 (13.4)	26 (11.3)	4.0
15	My company products could made good understanding by the parent brand to increase market share.	71 (30.9)	81 (35.2)	31 (13.4)	26 (11.3)	21 (9.2)	3.8
16	The association of my company's products could be seen in the parent brand to increase market share.	90 (39.1)	80 (34.9)	35 (15.2)	15 (6.5)	10 (4.3)	4.2
	Mean of means						3.9

Marketing Performance (MP)

S/N	Statement	SA 5	A 4	UD 3	D 2	SD 1	Means
17	Our perceived sales growth is as a result of category extension	58 (25.2)	56 (24.3)	36 (15.7)	36 (15.7)	44 (19.1)	3.4
18	Our perceived level sales volume is as a result of line extension	87 (37.8)	86 (37.3)	30 (13)	11 (4.8)	16 (7)	4.2
19	Our perceived profitability is as a result of existing family brand	62 (27)	82 (25.7)	31 (13.4)	25 (10.9)	30 (13)	3.6
20	Our perceived market share is as a result of brand awareness	72 (31.5)	77 (33.5)	37 (16.1)	17 (7.4)	27 (11.7)	3.7
	Mean of means						3.7

Correlation matrix studied variables

		1	2	3	4	5
<i>Category extension</i>	Pearson correlation	1				
	Sig. (2-tailed)					
	N	230				
<i>Line extension</i>	Pearson correlation	.307**	1			
	Sig. (2-tailed)	.000				
	N	230	230			
Existing family brand	Pearson correlation	.483**	.396**	1		
	Sig. (2-tailed)	.000	.000			
	N	230	230	230		
Brand awareness	Pearson correlation	.267**	.409**	.292**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	230	230	230	230	
Marketing Performance	Pearson correlation	.351**	.658**	.276**	.359**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	230	230	230	230	230

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

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

4.1. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683 ^a	.466	.456	1.5060

a. Predictors: (Constant), BRANDAWARENESS, CATEGORYEXTENSION, LINEEXTENSION, EXISTINGFAMILY

The Adjusted R² reported 456 (45.6%) of the change in marketing performance is explained by category extension, line extension, existing family brand and brand awareness.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	445.287	4	111.322	49.084	.000 ^b
	Residual	510.295	225	2.268		
	Total	955.583	229			

a. Dependent Variable: MARKETINGPERFORMANCE

b. Predictors: (Constant), BRANDAWARENESS, CATEGORYEXTENSION, LINEEXTENSION, EXISTING FAMILY

The F-ratio in the ANOVA table tested whether the overall regression model is a good fit for the data. The table showed that the independent variables (category extension line extension existing family brand and brand awareness) significantly predict the dependent variable (marketing preference), since $F(4, 225) = 49.084$, $p < .005$, the regression is good for the data.

Table 6: Multiple Regression Analysis of Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.389	1.201		1.989	.048
1 CATEGORYEXTENSION	.182	.057	.179	3.174	.002
LINEEXTENSION	.614	.058	.595	10.517	.000
EXISTINGFAMILY	.570	.057	.472	5.235	.004
BRANDWARENESS	.304	.064	.288	4.626	.003

Dependent Variable: MARKETING PERFORMANCE

The B-values of brand extension strategy are; category extension ($\beta = .179$, $p < .001$), line extension ($\beta = .595$, $p < .001$), existing family brand ($\beta = .472$, $p < .001$) and brand awareness ($\beta = .288$, $p < .001$) had exhibited positive effect on marketing performance.

4.2 Hypotheses Testing

The regression analysis was employed as an analytical tool for testing the hypotheses. Hypotheses' testing is really a systematic way for testing claims or ideas about any given parameter in a population using data measured in a sample. The p-values reported in the regression coefficient tables are used for testing the study hypotheses.

The Decision Rule

In research, the null hypothesis is the most important and frequently investigated hypothesis. The null hypothesis will be accepted and the alternative hypothesis will be rejected if the computed probability value is higher than the critical threshold of significance, and vice versa. We determine that the supplied parameter is statistically significant if the probability value of .000 is less than the critical value of 5% (i.e., $.000 < 0.05$). It is acknowledged that in this case, the alternative hypothesis must be accepted and the null hypothesis rejected.

According to Gujarati & Porter (2009), we declare our results to be statistically significant when we reject null hypotheses, and vice versa. According to Gujarati & Porter (2009), it is better to let the researcher determine whether to reject the null hypotheses at the specified value. Note that the exact probability of making a type 1 error or the observed or exact degree of significance are other names for the p-value. The lowest significance level at which a null hypothesis can be rejected is known as the p-value (Gujarati & Porter, 2009). Consequently, the p-value is 0.05 (5%)

Hypothesis HO₁

Category expansion and marketing performance don't significantly correlate. With the coefficient of regression being 0.182, Table 6's data demonstrate that category extension improves marketing performance. This suggests that the soft drink company's marketing performance rises in tandem with category extension. The variable is deemed significant at .002 (0.2%) based on the t-statistic of 3.174. This is noteworthy because it is less than 5%. This indicates that the marketing performance of Nigerian beverage companies is significantly impacted by category extension. As a result, the alternative hypothesis (H11) is accepted and the null hypothesis (H01) is rejected, suggesting that category extension and marketing performance in soft drink businesses are significantly positively correlated.

Hypothesis HO₂

Line extension and marketing performance don't significantly correlate. With a coefficient of regression of 0.614, the data from coefficient table 6 demonstrate that line extension improves marketing performance. This suggests that the soft drink company's marketing performance rises in tandem with line extension. The variable

is deemed significant at .000 (0.0%) based on the t-statistic of 10.517. This is noteworthy because it is less than 5%. This indicates that the marketing success of Nigerian beverage companies is significantly impacted by line extension. Therefore, the alternative hypothesis (H11) is accepted and the null hypothesis (H01) is rejected, suggesting that line expansion and marketing performance in soft drink businesses have a strong positive association.

Hypothesis HO₃

The performance of marketing and the current family brand are not significantly correlated. With a coefficient of regression of 0.570, the results from coefficient table 6 demonstrate that the presence of a family brand has a beneficial impact on marketing performance. This suggests that the soft drink company's marketing performance rises in tandem with the growth of the current family brand. The variable is deemed significant at .004 (0.4%) based on the t-statistic of 5.235. This is noteworthy because it is less than 5%. This indicates that the marketing performance of Nigerian beverage companies is significantly impacted by the family brand that is currently in place. Therefore, the alternative hypothesis (H11) is accepted and the null hypothesis (H01) is rejected, suggesting that there is a strong positive correlation between marketing performance and the current family brand in the soft drink companies.

Hypothesis HO₄

Marketing performance and brand awareness don't significantly correlate. With a coefficient of regression of 0.304, the results from coefficient table 6 demonstrate that brand awareness positively affects marketing performance. This suggests that the soft drink company's marketing performance rises in tandem with brand awareness. The variable is deemed significant at .003 (0.3%) based on the t-statistic of 4.626. This is noteworthy because it is less than 5%. This indicates that marketing performance in Nigerian beverage companies is significantly impacted by brand recognition. As a result, the alternative hypothesis (H11) is accepted and the null hypothesis (H01) is rejected, suggesting that there is a strong positive correlation between soft drink businesses' marketing performance and brand recognition.

4.3 Discussion of Findings

Category Extension and Marketing Performance

The regression table's findings showed that place category extension significantly improves marketing performance. The results indicated that category extension has a significant impact on marketing performance ($\beta = .179$, $P < 0.01$). It demonstrated that category extension accounts for 45.6% of the reported Adjusted R² of the shift in consumer choice. The results of the hypothesis test indicated a strong positive correlation between marketing performance and category extension.

The results of HO1 supported the findings of Dahlberg et al. (2004), who found that customers are quite receptive to promotions, particularly when they are marketed, and that sales turnover is usually always higher during brand expansion. It is also seen as a marketing performance metric that demonstrates how quickly brand extension tactics generate revenue. Additionally, it backs with Hem & Iversen's (2008) findings. They discovered that depending on the parent brand's characteristics, the various perceived resemblance dimensions had varying effects on how extensions are evaluated. Additionally, it was discovered that assessments of extensions are positively impacted by competence similarity, usage similarity, and associative similarity.

It adds to our understanding of how perceived similarity characteristics affect how extensions of basic (search and experience) and complicated (credence) items are evaluated. Extensions from complex product categories see a greater favorable impact from usage similarity than extensions from simpler product categories.

Additionally, Moorhti (2003), Nwielaghi (2003), Buday (2002), Weilbacher (2001), and others have conducted research in this field.

Line Extension and Marketing Performance

Table 6's results showed that all of the variables measuring line extension had an overall positive correlation coefficient value, indicating that they were all suitable line extension measures. The results demonstrated that line extension significantly improves marketing performance ($\beta=.595$, $P<0.01$). According to the results, line extension accounts for 45.6% of the change in marketing performance, or the Adjusted R². Furthermore, the results of the hypothesis test demonstrated a strong positive correlation between marketing performance and line extension.

The results of HO3 corroborate the conclusions of Hem, Chernatony, and Iversen (2001), who found that a successful brand extension is significantly influenced by the parent brand's reputation. A key factor in the success of brand extensions is establishing a positive reputation for the parent brand. Similarly, Pina, Jose, Iversen Nina, and Martinez Eva (2010) found that brand familiarity directly improves attitude toward the extension, and that more familiarity with the parent brand directly improves adaptation of the parent-brand image. Additionally, the more favorable the attitude toward the extension, the stronger the effect of perceived image fit on extension attitude, and the stronger the effect of perceived image fit on extension attitude, the more innovative the consumer. In a similar vein, Hariri and Vazifehdust (2011) proposed that the extension attitude would be more enhanced the better the perceived fit. According to the survey, if a company wants to expand its brand, it must enhance its current image. Other studies include Baldanfet et al. (2013), Kim & Kum (2010), Keller & Aaker (1992), and others.

Existing Family Brand and Marketing performance

Table 6's data analysis results showed that the factors of existing family brand had overall positive correlation coefficient values, which suggested that they were suitable indicators of existing family brand. It demonstrated the degree to which marketing performance is impacted by an established family brand ($\beta=.472$, $P<0.01$). This demonstrates that the current family brand and marketing performance have changed significantly. Similarly, table 4.15 demonstrated that the existing family brand accounted for the Adjusted R² reported of .456 (45.6%) of the difference in marketing performance. According to the results of the hypothesis test, marketing performance and the current family brand have a strong positive correlation.

The study supports Boone & Kurtz (2015)'s claim that family branding helps consumers become accustomed to a product's name and logo, which may facilitate the launch of new products. Businesses that employ family branding must make sure that every product meets extremely high standards of quality because a single subpar product might harm the family brand's reputation. Additionally, the findings of Martinez & Pina's (2010) study indicate that consumers' attitudes on brand extension will affect how they perceive the parent brand. Future studies might look into assessing the use of line or mix extensions, it was recommended.

Furthermore, Sheinin (2000) found that familiar parent brands have greater predictive power for extension, while unfamiliar parent brands have different perceptions. Similarly, the findings of Jahangir, Parvez, et al. (2009) indicate that while brand affect and loyalty are two factors that might influence consumers' attitudes toward a brand, customer loyalty is a key factor in this regard. Other studies include Keller & Lahmann (2006), Moorhti (2003), and others.

Brand Awareness and Marketing Performance

It was discovered that the brand awareness variables' overall positive correlation coefficient values show that they are suitable indicators of brand awareness. The degree to which brand awareness influences marketing performance is displayed in Table 4.18 ($\beta=.288$, $P< 0.01$). This demonstrates that brand awareness and marketing performance have a strong positive relationship. Likewise, the findings indicate that brand awareness accounts for .456 (45.6%) of the variation in marketing performance. Brand awareness and marketing performance have a considerable positive association, according to the results of hypothesis four, which was examined in table 4.27.

O'Guinnet et al. (2009) revealed that brand awareness is a major predictor of consumers' brand knowledge, the extent to which a brand is imprinted in their thoughts, and the ease with which that information may be recalled. The results of HO4 support these findings. Furthermore, the results of Huang and Sarigollu's (2012) study showed that brand awareness and brand market outcome were positively correlated. Both brand awareness and sales and brand awareness and market share were positively correlated, according to Mowen & Minor (2011), Kollander & Lejon (2007), and other studies.

4.4 Summary of Findings

Brand extension strategy dimensions have a positive impact on marketing performance, according to the results of the variables' regression analyses. The strongest positive effects are shown by line extension ($\beta =.595$, $P < 0.01$), brand awareness ($\beta =.472$, $P < 0.01$), existing family brand ($\beta =.288$, $P < 0.01$), and category extension ($\beta =.179$, $P < 0.01$). The model summary's adjusted R^2 of .456 (45.6%) indicated that brand expansion strategy was responsible for the shift in soft drink businesses' marketing performance.

5. Conclusion

The technique used by soft drink businesses to generate marketing performance is called brand extension strategy. In particular, the study found that the soft drink companies' marketing performance was influenced by their category extension strategy. This relates to the market's leadership in achieving sales growth. Among these are: (i) taking the lead by adopting the newest technological fad. Sales and marketing success for soft drink companies would increase if they could swiftly adjust to the latest technological advances. Proactively pursuing new market prospects is another factor. This is a company's capacity to address issues before they arise in the marketplace, which will boost sales growth.

This is the process of developing a new market for the business's goods through niche marketing; it might be tiny, but it will boost sales. Using its parent brand for distribution is the final component of the category extension plan. A consumer good that requires place value attachment is soft drinks. A business that manages an effective distribution system to get goods to ultimate customers and boost sales growth will be very successful.

Additionally, the study found that line extension strategies boost soft drink firms' sales volumes. Among these elements are (i) the encouragement of innovation, which involves creating new soft drink packaging, colors, and flavors that are distinct from the parent brand yet belong to the same family. The availability of alternatives to the parent brand that would boost sales volume is another issue. Businesses who create a "B" plan to satisfy client demands will see an increase in sales volume. (ii) Consumer responsibility: Soft drink companies will see an increase in sales volumes if they can effectively address consumer complaints and market reports about their products. Soft drink firms can enhance their sales volume by doing this, however it is one thing to identify a problem and another to provide a remedy.

Once more, the study found that the marketing success of beverage companies in Nigeria is positively impacted by the presence of family brands. The manufacture of goods that are identical to the parent brands would decide a rise in the companies' profitability, which is one of the variables that contributed to this effect. In other words, it involves matching the company's products to the parent brand in the marketplace, which helps the business retain and win back even lost clients. The development of brand image familiarity is another aspect to take into account.

By producing identical parent brands for the company's products in the marketplace, these efforts aid in building a brand image in the minds of consumers. The development of client loyalty is an additional consideration. Customers can cast their votes for the business and its goods in the marketplace at this level, which is the greatest level of customer relationship with the company. And only an established, successful family branding plan may influence this. Another consideration is compatibility, which is the requirement that all of a company's goods work together in terms of usage. Product compatibility is a crucial factor that soft drink firms should take into account if they want to boost marketing success and profitability.

Ultimately, the study came to the conclusion that marketing performance in soft drink companies is determined by brand awareness strategy. This is mostly related to the granting of recognition, remember and connection to the company's brand. Customers will find it much easier to identify a brand anyplace in the market when they are so familiar with it. This is a reminder commercial for the company's merchandise. Because it relates to the activities of the sales proportion being carried out, the recall component is extremely important. Businesses who invest heavily in sales promotion would see an increase in their market share among soft drink manufacturers. Association should be the final consideration.

This calls on the company to combine all of its marketing efforts, including advertising, promotion, and bonanza, in order to boost market share in the soft drink industry. Therefore, a company should use the brand awareness approach to accomplish its aims and objectives as a soft drink company if its primary purpose is to expand market share.

5.1. Recommendations

- (i) If businesses want to boost sales volume, they should look for every opportunity to modernize their brands through line extension strategies to satisfy the needs of today's consumers.
- (ii) In order to implement the current family brand strategy and increase profitability, soft drink firms should establish a close relationship with their marketing unit. This will help consumers recognize and become familiar with the company's brands.
- (iii) Both new and established businesses should implement a brand awareness strategy, which aims to gain market share by making corporate product brands recognizable and memorable to customers.

Contributions to Knowledge

The study made the following contributions to knowledge according to the findings;

- i. The study has bridged the gap in marketing by the use line of extension strategy to provide innovation, changes, substitution, and plan 'B' in order to meet consumers' needs in the soft drinks industry of Nigeria.
- ii. The study has established the use of existing family brand to identify and familiarize the company's brands to consumers.
- iii. The study has established the use of effective management of brand awareness to recognize, recall

and associate the company's brand to their customers.

Suggested areas for Further Studies

First, the domain of the study was limited to some selected soft drink companies in Lagos and used multi-stage approach to gather respondents, however future research studies could go ahead to explain the geographical scope beyond Lagos, or go for entirely on new geographical scope and should also include consumers of soft drink.

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BIG DATA ANALYTICS AND SUSTAINABLE SUPPLY CHAIN MANAGEMENT PRACTICES AMONG MANUFACTURING ENTERPRISES IN NORTH-WEST NIGERIA: MEDIATING ROLE OF INVENTORY MANAGEMENT

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Abstract

Harmonized approaches to enhance efficient operations, minimize costs and optimize delivery and distribution in today's ever expanding, sporadic global supply chain, highly turbulent and unpredictable business climate have seen the emergence of big data analytics (BDA). As a consequence, several literature have documented that BDA lead to better sustainable supply chain management practices (SSCMP). Despite prior evidence from the literature, there is a remarkable scarcity of studies on inventory management (IM) as mediator between big data analytics and sustainable supply chain management practices among manufacturing enterprises. Therefore, this study investigated the mediating effect of IM on the relationship between SSCMP and BDA in order to extend the prior findings. The study adopted cross-sectional survey research design with three hundred and sixty-two (362) sample size used in the study as representative of the entire population. Purposive and simple random sampling techniques were use for sample selection. PLS-SEM is employed to test whether IM significantly mediates BDA and SSCM on the survey data administered to 304 business owners/managers in the manufacturing enterprises in north-west, Nigeria. Findings from the study revealed that the SSCM effect of BDA is entirely and significantly mediated by IM. Therefore, the study recommend that manufacturing enterprises CEOs/top managers to leverage the BDA to analyze supply chain disruptions, identifying potential risks, developing mitigation strategies, and implementing predictive analytics to optimize inventory allocation.

Keywords:

Big data analytics, dynamic capabilities theory, inventory management, manufacturing enterprises, sustainable supply chain management practices.

1. Introduction

Harmonized approaches to optimize delivery and distribution in today's ever expanding, sporadic global supply chain, highly turbulent and unpredictable business climate have seen the emergence of big data analytics (BDA). It has long been documented that BDA is an emerging supply chain (SC) game changer (Waller & Fawcett,

2013), enhance efficient operations, minimize costs (Dubey et al., 2016) and optimize delivery and distribution in the present hypercompetitive business environment (Sheffi, 2015). The concept of BDA had gained prominence in the recent decades as one of the most important issues in business analytics. The use of BDA in core business functions and operations can create benefits, such as cost savings, better decision making, and higher product and service quality (Davenport, 2014). Besides, it could allow real-time process measurement and monitoring for superior quality management, logistics and order fulfillment cycles (Gupta & George, 2016). Notwithstanding the role of BDA, disruptions in the supply chain are common. Inefficient inventory management, production line failures, insufficient visibility into supply chain operations, demand variations, insufficient data analytics, sustainability concerns, cyber security threat and product quality issues are common risks associated with SSCMP (Samuel, 2019). On the other hand, research efforts have been devoted to explore how BDA might help to drastically minimize the likelihood of supply chain interruptions for enterprises to improve and sustain supply chain management so as to effectively cope with and recover from supply chain disruptions in a dynamic business environment.

1.2 Statement of Problem

Literature have documented that BDA improves SC prediction of customer needs, SC risk assessment, SC reaction time and overall efficiency of supply chain. Despite prior evidence acknowledging a positive link between BDA and SSCM, there is a remarkable lack of mediating assessment to support the assertions. The implication is that the results of earlier studies are inconclusive leaving a gap to be filled. These univocal results have highlighted the importance of research into the evaluation of inventory management (IM) on the SSCMP effect of BDA in order to extend the prior findings and offer more insight into the holistic effect of BDA on SSCMP. Therefore, the study seeks to answer following research questions.

1.3 Research Questions

- i. How does BDA affect SSCMP?
- ii. How does BDA affect IM?
- iii. How does IM affect SSCMP?
- iv. How does IM mediate SSCMP effect of BPM?

1.4 Research Hypotheses

Consistent with the research questions, this study postulates that:

- i. BDA significantly affects SSCMP
- ii. BDA significantly affects IM
- iii. IM significantly affects SSCMP.
- iv. IM significantly mediates SSCMP effect of BPM.

1.5 Significance

This study is significant to SSCMP in many ways. First, the study provides insights into the relationship between independent variables and extends inventory management theory by exploring the mediating role of inventory management on BDA and sustainable supply chain management practices. The findings of this study is aimed at assisting the management of manufacturing firms to improve their supply chain efficiency, reduce environmental footprint and gain a competitive advantage in the market. Besides, the study is expected to contribute to environmental sustainability and provide insights for policymakers and practitioners to develop strategies that promote sustainable economic growth and development.

1.6 Scope and Limitation

The current research focuses on manufacturing enterprises in Kaduna, Kano and Sokoto, exploring the mediating role of inventory management in the relationship between BDA and sustainable supply chain management. Manufacturing enterprises are considered appropriate for this subject to their relative economic importance to the national development and contribution to SMEs sector (NBS, 2023). The variables are measured by multi-item scale adapted from previous studies while structural equation model was incorporated to test the mediation.

The findings of the study may not be generalizable to other industries owing to the focus on the manufacturing industry. Similarly, three hundred and sixty-two (362) sample size used in the study may not be representative of the entire population and also has tendency of limiting the generalizability of the findings. Adopting cross-sectional survey research design for this study is a methodological gap which may not capture the longitudinal nature of BDA and sustainable supply chain management practices.

2. Literature Review

Literatures are reviewed from three perspectives: the concept of BDA, SSCMP and IM; empirical impact of BDA on SSCMP, and mediating effect of IM on BDA and SSCMP; and dynamic capabilities theory (DCT). BDA is a new concept that is gaining an increased recognition in the operations research and production management literature. Today, it has evolved into a widely deployed and comprehensively studied discipline. BDA is often proclaimed by many scholars as characterized by 5Vs: volume, variety, velocity, veracity, and value (Wamba et al., 2015; Assunção et al., 2015; Emani et al., 2015). Volume refers to the magnitude of data, which has exponentially increased, posing a challenge to the capacity of existing storage devices (Chen and Zhang, 2014). Velocity is the rate at which the data is being collected (Assunção et al., 2015). Variety refers to the fact that data can be generated from heterogeneous sources, for example sensors, Internet of things (IoT), mobile devices, online social networks, etc., in structured, semi-structured, and unstructured formats (Tan et al., 2015). Veracity is often defined as the quality or trustworthiness of the collected data while value of a dataset can be determined by estimating the insights that can be generated from the dataset post-analytics (Gandomi & Haider, 2015; XSNET, 2017). SSCMP encompasses all integrated activities that bring product to market and create satisfied customers. Strengthening management of supply chain enhances both customer satisfaction and profitability (David, William & Yehua, 2014), creates price advantages that help attract and retain customers (Bernard, 1997) and leads to increased market share which in turn brings with it competitive advantages such as lower warehousing and transportation costs, reduced inventory levels, less waste, and lower transaction costs (James, 1995). The objective being to create the most value for the entire supply chain network, including the end-customer, reduce working capital, accelerate cash-to-cash cycles and increase inventory turns (Sotiris, 2000). IM, a critical element of the supply chain, is the tracking of inventory from manufacturers to warehouses and from these facilities to a point of sale (Keely, Sebastian, Douglas & Dale, 2001).

There have been several studies (Zhang, 2023; Mohammad et.al., 2022; Randy et.al., 2022; Anas et.al., 2021; Shabbar et.al., 2021; Muhammad et.al., 2020; Cheng & Lu, 2018). However, a major gap in the empirical literature is the lack of studies on inventory management assessing the mediating effect of IM on BDA and SSCM. The research implication is that estimates of the relationship between independent and dependent variables may be biased, model may be unspecified and drawing clear-cut conclusion might be complicated. Besides, in the context of BDA and SSCMP, omitting inventory management may result in reduced predictive power and lack of explanatory power, which can limit the usefulness of the model and the theory. This study,

therefore, aims to contribute to filling this knowledge gap.

Mediating effect of inventory management on the SSCMP effect of BDA is hinged on dynamic capabilities view (DCV) instead of resource-based view RBV). RBV fails to provide explanation of how and in what context the resources can provide competitive advantage to a firm in dynamic and unpredictable environments (Eisenhardt and Martin, 2000), scholars have argued that the dynamic capabilities view (DCV), provides explanation for the organization's competitive advantage in changing environments (Teece et al. 1997; Sirmon et al. 2010; Eisenhardt and Martin, 2000; Singh et al. 2013). DCV can help explain organizations' process of utilizing resources and focusing on learning and changing functionality and associating it with organizational performance (Gupta *et al.*, 2019).

3. Methodology

This study employed a cross-sectional survey research design to obtain a robust data from different sources at one point in time. The target population for the study comprises SMEs owners in manufacturing enterprises in Kaduna, Kano and Sokoto state. The research relies on primary data collected across the study states by structured questionnaire administered to three hundred and four (304) out of three hundred and sixty-two (362) owners/managers obtained through Krejcie and Morgan (1972) model. The study sampling technique was two stages: purposive and simple random sampling techniques for sample selection. Data analysis utilized descriptive and inferential statistics. Descriptive statistics tools include frequency table, percentage, minimum, maximum, mean, standard deviation and Pearson correlation while partial least squares structural equation model (PL-SEM) is employed as inferential statistics. PL-SEM is incorporated via SMART-PLS 3.0 software to establish mediating role of IM on the SCM effect of BDA using causal-steps procedure developed by Baron and Kenny (1986). This procedure is expressed in terms of the three regression equations shown below as:

$$Y = aX + e_y \dots\dots\dots(1)$$

$$M = bX + e_z \dots\dots\dots(2)$$

$$Y = cM + a^iX + e^i_y \dots\dots\dots(3)$$

Whereas: X = BDA, Y = SSCMP, M = IM

a, b, c and a^i , are unstandardized regression coefficients; and e_y , e_z , and e^i_y are residual terms. To test for mediation, the coefficients a, b and c in equation 1 to 3 must be significant while only a^i in equation 3 is not significant. If the first three conditions are met but the fourth condition is not, then mediation is considered partial rather than complete | (Baron & Kenny, 1986).

4. Data Analysis and Discussion

The key components of this section include measurement and structural model evaluation, descriptive analysis, inferential statistics and discussion of findings. First, the samples' adequacy test is determined. The general criterion is that the sample is adequate if the KMO score exceeded the cutoff value of 0.5 ($KMO \geq 0.5$) and falls within the range of 0.70–1.00. For this study, the KMO value was 0.841 while Bartlett's test value was 437.24, $p < .05$ ($p\text{-value} = 000$), both confirming the adequacy of the sample and support the factorability of the correlation matrix. Similarly, a full collinearity test was performed to confirm common method bias (CMB) using variance inflation factors (VIFs). The statistical evidence validates the model CMB as the highest VIF was 2.834, suggesting that the model is free from CMB.

Table 4.1 KMO and Bartlett's Test

Test	Correlation
KMO	0.841
Bartlett's test	437.24
Chi-square	26
Df	.000
Sig	

4.1 Measurement Model Evaluation

The research instrument was subjected to reliability and validity test. Cronbach's alpha (α) and composite reliability (C.R) statistics were adopted to evaluate construct-level reliability while average variance extracted (AVE) was employed to empirically validate convergent validity of the constructs. To maintain construct internal consistency, α and C.R indices have to be between 0.7 and 0.9 (Hair et al., 2016). In the context of this study, α and C.R tests were above 0.7 suggesting that the measuring model showed strong internal consistency. An AVE value of 0.5 or above is considered acceptable. The AVE values for the study exceeded the threshold value of 0.50, implying that the variance in the indicators is adequately captured.

Table 4.2 Measurement Model Statistics

Variables/Constructs	Item	Correlation	Cronbach α	AVE	CR
BDA	BDA1	0.81	0.85	0.664	0.933
	BDA2	0.78			
	BDA3	0.88			
	BDA4	0.79			
	BDA5	0.74			
	BDA6	0.88			
	BDA7	0.85			
	BDA8	0.71			
	BDA9	0.82			
SSCMP	SSCMP1	0.76	0.81	0.567	0.901
	SSCMP2	0.78			
	SSCMP3	0.91			
	SSCMP4	0.94			
	SSCMP5	0.86			
	SSCMP6	0.78			
	SSCMP7	0.80			
	SSCMP8	0.77			
	SSCMP9	0.84			
	SSCMP10	0.84			
	SSCMP11	0.90			
IM	IM1	0.87	0.83	0.628	0.914
	IM2	0.82			
	IM3	0.83			
	IM4	0.93			
	IM5	0.83			
	IM6	0.75			
	IM7	0.76			

4.2 Structural Model Evaluation

Structural model statistics in Table 4.3 depicts the variance inflation factors (VIFs), explanatory power (R^2) of the endogenous construct, Stone-Geisser (Q^2) values, Cohen (f^2) formula and goodness of fit (GoF). VIF and R^2 are examined to check multi-collinearity within the data while Q^2 and GoF determine the predictive relevance of the inner model and overall model fit values for each dependent variable. Statistical evidence validates the model collinearity as all the VIFs values are less than 10; therefore multi-collinearity was absent within the structural model. Dependent and mediating variables displayed a satisfactory level of R^2 with 0.513 and 0.427 for SSCMP and IM, demonstrating a moderate degree of explanatory power in term of predictive power for the research model. The Q^2 and f^2 are more than the cut-off value of 0.0, indicating appropriate predictive relevance. Finally, the GoF was determined by $\sqrt{AVE \times R^2}$ and found to be 0.51 which implies that the overall fit of the structural model is acceptable.

Table 4.3 Structural Model Statistics

Variables	VIF	R^2	Q^2	f^2	GoF
BDA	1.873	-	-	-	-
SSCMP	2.834	0.513	0.317	0.0023	0.583
IM	1.657	0.427	0.236	0.0031	0.462

4.3 Descriptive Analysis

4.3 Descriptive Analysis

The total validly observed sample comprises three hundred and four (304) SMEs owners in manufacturing enterprises in Kaduna, Kano and Sokoto state. The minimum observation ranges from 9 to 19 score while maximum observation ranges between 23 to 57. All variables standard deviation indicates low variability to the variables mean. For instance, BDA had a mean of 21.451 with a standard deviation of 3.657; SSCMP recorded a mean of 34.534 with a standard deviation of 7.684 while IM mean was 15.74 with a standard deviation of 1.418, suggesting that all variables means are good representation of sample data. Among these variables, BDA (21.451) and IM (15.74) recorded fairly higher scores than the average score while SSCMP (34.534) had score moderately related to the average score on five point rating scale with respect to each variable number of items in the questionnaire. The correlation matrix provided that each variable is perfectly correlated with itself along diagonal of the table and imperfectly correlated to other variables. All imperfect correlations were positive and significant at 0.05 levels. The results clearly suggest that BDA can enhance sustainable supply chain management practices by optimizing inventory management.

Table 4.4 Descriptive Statistics

Var	Obs	Mean	Std. Dev	Min	Max	BDA	SSCMP	IM
BDA	304	21.451	3.657	12	38	1.000		
SSCMP	304	34.534	7.684	19	57	0.7021*	1.0000	
IM	304	15.742	1.418	9	23	0.6209*	0.5251*	1.000

(Obs = 304), *. Correlation is significant at the 0.05 level (2-tailed).

4.4 Test of Hypotheses

PLS-SEM was employed to assess the mediating effects of IM on BDA and SSCMP. The model shows path coefficients, significance, variance accounted for and conclusion. Bootstrapping was conducted with 5,000 samples at 95% confidence level to determine the significance of path coefficients. All indirect effects were significant (that is hypothesis 2 through 4). These indicate that the hypotheses were supported. Only direct effect was not significant and was not supported. (a^i - hypothesis 1). Therefore, it is concluded that IM significantly mediate the connection between BDA and SSCMP as VAF (total indirect effect = 0.927) exceeds the 0.8 threshold level.

Table 4.5 PLS-SEM Statistics

Hypothesis	Path	Path Coefficient	Supported	VAF	Conclusion
H ₁	BDA → SSCMP	0.062	No	0.073	-
H ₂	BDA → IM	0.463	Yes	0.267	-
H ₃	IM → SSCMP	0.514	Yes	0.473	-
H ₄	BDA → IM → SSCMP	0.572	Yes	0.187	Full Mediation

4.5 Discussion and Implications

This study, to the best of our knowledge, is the first to offer a rigorous empirical test of the mediating effects of IM on BDA and SSCMP among manufacturing enterprises in the north-west, Nigeria. A set of hypotheses were tested using PLS-SEM to establish the connection. The results provide evidence that no direct association exist between BDA and sustainable supply chain management practices, the empirical findings indicated that nexus between the primary variables is fundamentally indirect through IM (92.7% of the impact on SSCMP is indirect). The findings are consistent with previous studies (Anas et.al. 2021; Cheng, & Lu, 2018; Mohammad et.al. 2022; Muhammad et.al. 2020; Randy et.al. 2022; Zhang, 2023).

A careful study of the previous literature has revealed that much attention had been paid to explore the relationship between BDA and SCM with respect to myriads of factors as mediators such as knowledge management process (KMP), efficiency, supply chain management capabilities (SCMC), circular economy practices (CEP), supply chain resilience (SCR), supply chain innovation (SCI) as well as adaptability. However, no known studies have explored mediating assessment of IM in the connection between the variables to the best of our knowledge. A clear understanding of the concept is very essential for further analysis of BDA contributions to SSCMP. The implication is that exploring the role of IM and BDA on SSCMP contributes to the development of supply chain management theory as well as practices. At the same time, adopting BDA-enhanced SSCM practices helps organizations contribute to a more sustainable future and gain competitive advantage. Therefore, this study extends the findings of prior studies and add to the body of literature by providing a more comprehensive investigation that mediate IM in the BDA-SSCMP relationships.

5. Conclusion and Recommendations

Evidence from the study has demonstrated that BDA can enhance SSCMP by optimizing inventory levels, reduce waste, minimize cost, and gain a competitive advantage in the market. Hence, this study concludes that inventory management has a significant and positive mediating effect on BDA and SSCMP. Therefore, this study recommends that:

1. Management of manufacturing enterprises should develop a sustainable supply chain strategy that integrates BDA, SSCMP and inventory management. The strategy should involve a thorough analysis of the supply chain with a clear sustainability objectives and assessment of the potential risks and opportunities related to

sustainability.

2. Enterprises should monitor and evaluate the performance of BDA and SSCMP in order to identify areas for improvement and optimum performance. This could be achieved by fostering a culture of sustainability leveraging on established key performance indicators through employee engagement, training, and innovation to drive sustainable practices in the organization.
3. Inventory management practices should equally be optimized by taking advantages of software solutions to analyse demand patterns, lead times, and inventory levels in order to reduce stock outs, overstocking, waste and minimize storage costs.
4. Management should also adopt BDA technologies to collect data from various sources and apply predictive analytics, such as machine learning algorithms to forecast demand, detect anomalies, and identify areas for improvement.
5. Enterprises should leverage BDA to analyze supply chain disruptions, identifying potential risks, developing mitigation strategies, and implementing predictive analytics to optimize inventory allocation.

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WORK-LIFE BALANCE AND EMPLOYEE PERFORMANCE IN UNIVERSITY OF ABUJA TEACHING HOSPITAL

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ABSTRACT

Work-life balance (WLB) has emerged as a critical factor influencing employee well-being, productivity, and organizational sustainability. This study examines Work-Life Balance in Healthcare Sector and Employee Performance: A Study University of Abuja Teaching Hospital, Given the demanding nature of the healthcare sector, employees often struggle to balance professional and personal responsibilities, leading to stress, burnout, and diminished job satisfaction. This study explores how flexible work schedules and leadership support influence employee engagement and productivity within UATH. A descriptive survey research design was employed to collect data from a sample of 358 employees, proportionally drawn from clinical and non-clinical staff. Descriptive statistics and multiple regression analysis were applied to examine the relationship between independent variables (flexible work schedules and leadership support) and the dependent variable (employee performance). Findings indicate that flexible work arrangements positively correlate with increased productivity among employees. Moreover, leadership support significantly enhances employee engagement, demonstrating that an enabling work environment contributes to better performance outcomes. The study concludes that implementing targeted work-life balance initiatives, including leadership-driven policies and flexible scheduling, can mitigate work-related stress and improve job satisfaction in healthcare settings. Based on these findings, the study recommends that hospital management integrate comprehensive work-life balance strategies tailored to the unique demands of healthcare professionals. Future research should explore additional factors such as job autonomy and organizational culture in shaping work-life balance effectiveness within the Nigerian healthcare sector.

Keywords:

Employee performance,
flexible work schedules,
Healthcare sector,
leadership support, Work-
life balance.

Introduction

The goal of every organization is achieved through positive employee performance, which will lead to overall organizational performance. Many organizations retain performing employees in the organization unless they are not satisfied with their job outputs (Gitongu, Kingi & Uzel, 2016). Thus, organizations are required to focus more on the drives that enhances employees' job satisfaction and trainings to stimulate enhanced performance from them (Gruman & Saks, 2011). Most organizations are seen in recent times to focus on dynamics that promote and enhance employees' performance since it has a direct link with the goal attainment drives of organizations.

The concept of work-life balance has become an essential area of focus for organizations aiming to foster employee well-being, improve productivity, and establish sustainable workplace environments. Work-life

balance refers to the ability of employees to manage their professional responsibilities and personal life commitments effectively. Achieving this equilibrium allows individuals to perform optimally in their roles while maintaining their overall satisfaction and quality of life (Zhang & Tan, 2024).

In recent years, the complexities of workplace dynamics have been further compounded by rapid technological advancements and the pressures of globalization. These factors have underscored the importance of implementing work-life balance practices in various sectors to enhance employee engagement and organizational performance. Notable progress has been made in understanding the impact of these practices in industries like banking, technology, and education, where operational flexibility often facilitates their implementation. However, the healthcare sector, especially in developing countries like Nigeria, remains underexplored despite its critical role in national development (Yusuf & Ibrahim, 2022).

Healthcare professionals operate in highly demanding environments that require long working hours, high-stakes decision-making, and exposure to emotionally taxing situations. These challenges are magnified in public healthcare institutions, which often face resource constraints, hierarchical organizational structures, and rigid operational policies. Consequently, healthcare workers experience high levels of stress, burnout, and reduced job satisfaction, which adversely affect their performance and the quality of care provided to patients (Patel & Singh, 2025).

This study focuses on the University of Abuja Teaching Hospital (UATH), a prominent public healthcare institution in Nigeria, to explore the impact of work-life balance practices on employee performance. By examining this critical issue within a healthcare context, the study seeks to provide actionable insights into how work-life balance initiatives can be tailored to address the unique challenges faced by healthcare professionals while contributing to improved organizational outcomes.

Healthcare environments are inherently challenging, requiring employees to navigate prolonged work hours, emotionally draining situations, and physical exhaustion. At UATH, these challenges are further exacerbated by limited rest periods, resource shortages, and the unrelenting pressure to deliver high-quality patient care. Such circumstances often lead to work-life conflicts, characterized by diminished employee engagement, reduced productivity, and, in severe cases, professional burnout. These outcomes not only affect the well-being of individual employees but also hinder the overall efficiency and effectiveness of healthcare institutions.

While extensive research highlights the benefits of work-life balance practices in enhancing employee performance, most studies have focused on industries such as technology and banking, where operational flexibility is more feasible. For instance, Patel and Singh (2025) and Ndulue (2024) emphasize that work-life balance initiatives significantly improve job satisfaction and organizational commitment. However, these findings may not be directly applicable to the healthcare sector, where the nature of work often precludes flexible arrangements.

In the Nigerian healthcare sector, structural challenges such as resource limitations, rigid leadership styles, and the absence of institutional support for work-life balance practices further compound these issues. Public healthcare institutions like UATH are particularly affected, operating within constrained organizational frameworks that leave little room for flexibility or innovation. The lack of research addressing these unique challenges highlights a significant gap in the literature. This study seeks to bridge this gap by examining the factors affecting work-life balance in healthcare settings and their impact on employee performance, with a

specific focus on UATH.

The objectives of this study are as follows:

- i. To examine the relationship between flexible work schedules and employee productivity in UATH.
- ii. To assess the impact of leadership support on employee engagement in UATH.

This study is limited to the University of Abuja Teaching Hospital (UATH) and focuses on healthcare professionals, including doctors, nurses, administrative staff, and support personnel. The research examines the impact of work-life balance practices on employee performance, specifically exploring flexible work schedules, leadership support, and employee autonomy. The findings are expected to be relevant to similar public healthcare institutions in Nigeria and other developing countries.

LITERATURE REVIEW

Work-Life Balance (WLB)

The concept of work-life balance (WLB) is premised on the fact that a person's life is clearly divided into two marked areas: work and life, with the former oftentimes having negative restrictions on the latter. Work-life balance is defined as a process for reconciliation of work, family and individual self-demands and time (Ndulue, 2024). In deepening this viewpoint, Clark (2010) stated a more precise definition of WLB as being "satisfaction and good functioning at work and at home, with a minimum of role conflict". This study agrees with the explanation of Ndulue (2024) who asserts that "work-life balance focused on reconciliation of work and family life. Here, work-life balance does not mean to devote an equal amount of time to paid work and non-paid roles; in its broadest sense, it is defined as a satisfactory level of involvement of fit" between the multiple roles in a person's life.

Employee Performance

The goal of every organization is achieved through positive employee performance, which will lead to overall organizational performance. Many organizations retain performing employees in the organization unless they are not satisfied with their job outputs (Gitongu, Kingi & Uzel, 2016). Thus, organizations are required to focus more on the drives that enhances employees' job satisfaction and trainings to stimulate enhanced performance from them (Gruman & Saks, 2011). Most organizations are seen in recent times to focus on dynamics that promote and enhance employees' performance since it has a direct link with the goal attainment drives of organizations.

Flexible Work Policies and Productivity

Flexible work policies have emerged as a cornerstone of work-life balance initiatives, enabling employees to manage professional and personal commitments effectively. Ndulue (2024) and Williams and Rogers (2023) argue that flexible work arrangements, including remote work, adjustable shifts, and job-sharing, enhance employee well-being, reduce workplace stress, and improve overall productivity. These policies have proven successful in industries such as technology, banking, and education, where operational flexibility is more feasible.

In healthcare settings, however, the implementation of flexible work policies is more complex due to the critical, continuous nature of patient care. Hospitals and healthcare institutions like the University of Abuja Teaching Hospital (UATH) operate 24/7, requiring staff to be available round the clock. This limits the feasibility of adopting traditional flexible work arrangements, such as remote work, which is incompatible with clinical duties that necessitate physical presence.

To address these challenges, innovative scheduling solutions such as rotational shifts, staggered work hours, and team-based arrangements have been proposed. These solutions allow healthcare workers to balance their professional responsibilities with adequate rest periods while ensuring uninterrupted patient care. For example, Ndulue (2024) suggests that rotational shifts can help reduce burnout and improve focus among healthcare professionals. This study explores whether tailored flexible work policies, adapted to the unique needs of UATH staff, can enhance productivity and overall organizational performance.

Leadership and Employee Engagement

Leadership is a critical determinant of workplace culture and has a profound influence on the success of work-life balance initiatives. Harris and Thompson (2024) emphasize that transformational leadership, characterized by empathy, individualized attention, and the ability to inspire a shared vision, creates a supportive work environment that fosters work-life balance. Transformational leaders actively advocate for employee well-being by implementing policies that accommodate personal and professional needs.

Despite the proven benefits of transformational leadership, public healthcare institutions like UATH are often governed by hierarchical and bureaucratic leadership styles. These traditional models emphasize authority and rigidity, which may unintentionally perpetuate work-life conflicts. For example, decisions regarding employee schedules, workloads, and resource allocation are typically centralized, leaving little room for individualized support or flexibility.

Transitioning to a more inclusive leadership style at UATH could mitigate these challenges. Initiatives such as open-door policies, regular feedback sessions, mentoring programs, and advocacy for work-life balance at the institutional level are essential. For instance, Harris and Thompson (2024) highlight the importance of mentoring programs in providing emotional support and professional guidance to employees. This study evaluates the extent to which leadership support and inclusivity influence employee engagement and performance at UATH, with a focus on creating a work culture that prioritizes employee well-being.

Empirical Review

Patel and Singh (2025) conducted a comparative study across cultures to examine the influence of societal norms on work-life balance and employee outcomes. The study utilized both qualitative interviews and quantitative surveys, involving 500 employees from India, the UK, and the US across various industries, including healthcare. Multivariate analysis was used to analyze survey data, while thematic coding was applied to interview responses. The findings revealed that cultural norms were pivotal in shaping employees' perceptions of work-life balance and job performance. Cultures that embraced flexible work policies reported higher employee performance and satisfaction. Although the study provided valuable insights, its applicability to UATH is constrained due to differences in cultural and organizational norms in Nigeria. Additionally, the study's limited focus on healthcare workers reduces its direct relevance to the context of UATH.

Ndulue, (2024) investigated how work life balance impacts employee performance within selected Deposit Money Banks. This study was conducted in Abuja, Nigeria, specifically targeting employees within selected Deposit Money Banks. It involved 300 respondents who participated in the study, which utilized a descriptive research design and survey methodology. The primary data collection tool was a structured, self-administered questionnaire, designed to ensure accuracy and reliability in the responses. To guarantee fair representation across diverse levels and departments within the banks, the study employed stratified random sampling

techniques. Data analysis was conducted using simple regression analysis, enabling the study to test hypotheses and identify relationships between variables. The findings of this study revealed a significant positive impact of work support systems, annual leave provisions, and flexible work scheduling on employee performance. These results underscore the critical role of work-life balance practices in fostering enhanced performance within the banking sector. The study concluded that implementing effective work-life balance measures directly contributes to improved employee productivity in Deposit Money Banks.

However, the study has a narrow focus on the banking sector, which limits the generalizability of its findings to other industries. For instance, the healthcare sector presents unique challenges, such as high emotional and physical demands, which are not accounted for in this research. Extending this line of inquiry to settings such as the University of Abuja Teaching Hospital (UATH) could provide a broader understanding of work-life balance practices and their implications in the healthcare industry.

Williams and Taylor's (2024), *Exploring the Impact of Work-Life Balance on Employees: A Systematic Literature Review* utilized a systematic literature review approach to analyze 50 empirical studies examining the effects of work-life balance on employee well-being and performance. The study concluded that flexible work arrangements, organizational support, and employee autonomy were key factors that significantly contributed to enhanced job satisfaction and improved performance. However, the study's reliance solely on secondary data raised concerns about potential biases, and the absence of primary data collection meant that fresh insights and more context-specific findings were not incorporated.

Harris and Thompson, (2024), *studied The Role of Leadership in Promoting Work-Life Balance and Employee Performance* utilized a qualitative case study design to investigate the role of leadership in promoting work-life balance and its effects on employee performance. The study involved in-depth interviews with 30 senior managers and 100 employees from various organizations. The findings suggested that transformational leadership positively impacted work-life balance by providing support and fostering a culture that integrated personal and professional responsibilities. However, the study's limitations included its focus on senior leadership and the small sample size, which may not be representative of the broader workforce, limiting the generalizability of the findings to all organizational levels.

Patel and Singh's (2024) *examined Work-Life Balance and Innovation Performance in Tech Firms*, used a survey-based approach to examine the impact of work-life balance on innovation performance in 10 tech companies, surveying 200 employees. The results indicated that work-life balance positively affected creativity and innovation, with flexible work policies fostering a productive and innovative work environment. However, the focus on tech firms limited the generalizability of the findings to other industries where work cultures and innovation expectations may differ significantly.

Lee and Chang (2024) investigated how digital tools influence work-life balance and employee efficiency, particularly in hybrid work environments. Using a quantitative survey method, the study targeted a sample of 300 employees across industries such as technology, finance, and consulting. Multiple regression analysis was employed to assess the data and establish relationships between the use of digital tools and work-life balance. The findings indicated that digital tools like scheduling apps and communication platforms significantly enhanced work-life balance and boosted employee efficiency. Despite its insightful conclusions, the study's applicability to healthcare settings like UATH may be limited, as healthcare workers often rely on different tools and face unique challenges. Additionally, the focus on technology-driven industries may not align with the

operational realities of public healthcare organizations.

Zhang and Tan (2024) investigated the role of employee autonomy in task scheduling and its impact on work-life balance and job performance. Using a quantitative survey method, the study sampled 400 employees across various industries, including 80 from a local hospital. Correlation and regression analyses revealed that greater autonomy in task scheduling significantly improved work-life balance, which in turn enhanced job performance. Although healthcare workers were included in the study, the findings may not fully generalize to UATH, where autonomy in scheduling is often restricted due to the nature of patient care. This limitation suggests the need for more tailored studies focusing on healthcare settings.

Theoretical Framework

This study is underpinned by the theory of Management by Objectives (MBO), introduced by Peter Drucker, which emphasizes the importance of setting clear, specific goals through collaborative processes between management and employees. This participatory management approach aligns organizational objectives with individual roles, fostering a shared sense of purpose and responsibility (Drucker, 1954). By involving employees in goal-setting and decision-making, MBO ensures that they are not mere recipients of directives but active contributors to the achievement of organizational success.

One of the fundamental principles of MBO is establishing specific objectives for each employee, which provides a clear understanding of their responsibilities and expectations. This clarity enhances focus and enables employees to balance their work commitments with personal goals. Participative decision-making, another core tenet, allows employees to voice their opinions and contribute to organizational planning. This inclusivity not only increases their sense of belonging but also ensures that their unique needs, including work-life balance, are considered.

Structured timelines are integral to MBO, offering employees a framework to manage their time effectively. These timelines ensure that organizational objectives are met without compromising personal priorities. Regular performance evaluations and feedback mechanisms further reinforce this balance by providing constructive insights into employees' progress, identifying challenges, and suggesting solutions to address them.

MBO also emphasizes the interconnectedness of professional and personal goals, advocating for a workplace culture where employees can thrive holistically. When employees participate in decision-making and goal-setting processes, they gain autonomy over their tasks, fostering motivation and reducing stress. Additionally, the structured nature of MBO helps prevent overwork and inefficiencies, contributing to a more balanced and fulfilling work environment (Rodgers & Hunter, 1991).

In essence, the Theory of MBO provides a strategic framework for organizations to achieve their goals while respecting employees' individual aspirations. By harmonizing organizational practices with employee needs, MBO promotes a culture of collaboration, accountability, and mutual growth, ultimately enhancing overall performance and satisfaction through feedback system. Here, the feedback is an avenue to understand the level of goal achievement in the organization and the extent to which workers are committed to their family life. In this direction, work-life balance can be achieved very effectively through the adoption by management of objective theory (Smith & Shields, 2013).

Study Gaps

Many studies have been conducted on related areas of work-life balance and employee performance looking at some variables: organizational commitment (Jnaneswar, 2019, Radha, Ashu, Priyanka and Sudipta, 2019, Okoh,

Onuoha & Akhigbe, 2016). Some past researchers have explored work-life balance on Employment Stability and Economic Security (Heather and Glynn, 2012) etc. and other studies were conducted in private sector, without focus on public sector with specific reference to University of Abuja Teaching Hospital as used in this study to the best of researchers knowledge. Some studies have focused on work-life balance and employee/organizational performance in foreign institutions without considering Nigeria organizations. Most of the studies on work-life balance did not use health sector in Abuja and therefore used health sectors outside the federal capital territory. None of the past studies used University of Abuja Teaching Hospital as the focal point. For that, research gap exist and there is need for this study.

METHODOLOGY

This research adopts descriptive survey research design. Descriptive survey aims at collecting data and describing it in a systematic manner the characteristic, features or facts about the given population (Nworgu, 1998). The reason for using survey research design was to collect relevant data from respondents in the field comprising the target respondents who are employees of University of Abuja Teaching Hospital and make analysis and interpretation easy.

The population of this study includes all the staff of University of Abuja Teaching Hospital. The entire population is 1,726 (University of Abuja Teaching Hospital Staff Strength, according to the Nominal Roll as of April, 2024). Generally, the hospital has Twenty-Seven (27) department and nineteen (19) categories of employees' which are broadly grouped into clinical and nonclinical staff. The populations of clinical and nonclinical staff are shown in the Table 1 below:

Table 1: Selected Workers of UATH

Categories of Employees	Number of Employees
Clinical	1361
Nonclinical	365
Total	1,726

Source: University of Abuja Teaching Hospital (UATH) Staff Strength, April 2024.

3.4 Sample Size

The taro Yamane (1984) formula is used in the determination of the sample size for the study. The sample was based on the formula:

(1967) which is;

$$n = \frac{N}{1 + N(e)^2}$$

Where; N= Population size

n= Sample size

e= Error of Margin (0.05)

$$n = \frac{1,726}{1 + 1,726(0.05)^2} = \frac{1,726}{1 + 4.315} = \frac{1,726}{5.315} = 324.74 \approx 325$$

Meanwhile, to account for partial questionnaire completion or non-response, Israel (2013) proposed expanding the sample size by 10% to 30%. As such, the research raises the previously calculated sample size of 223 by 10% (1.10*325≈358) to 358. Proportional sampling method was used for the allocation of the sample; Proportional

allocation formula Kumar (1976) quoted in Udeze (2005) is applied thus:

Where n_h = number allocated each class of employees

n = total sample size

N_h = total population of each class of employees

N = overall employees that is, total population

Applying the formula, we shall have:

Table 2: Selected Workers of UATH

Categories of Employees	Population of Employees	Sample of Employees
Clinical	1361	$\frac{1361 \times 358}{1726} = 282$
Non Clinical	365	$\frac{365 \times 358}{1726} = 76$
Total	1726	358

Source: University of Abuja Teaching Hospital (UATH) Staff Strength, 2024.

Data for the study were collected using a structured questionnaire carefully designed to address the research objectives and capture key variables of interest. The questionnaire consisted of four distinct sections, each tailored to gather relevant information: Demographic Information, Work-Life Balance Practices, Leadership Support and Employee Performance Metrics: Before administering the questionnaire, a pilot test was conducted with a randomly selected group of 25 employees from the target population. The pilot study assessed the instrument's reliability and validity, resulting in a Cronbach's alpha score of **0.85**, which indicates a high level of internal consistency. This ensured that the questionnaire was a reliable tool for collecting data on the research variables.

Descriptive statistics were used to summarize the demographic characteristics of the respondents and key research variables. Frequencies, percentages and examine the relationship between the independent variables (flexible work schedules and leadership support) and the dependent variable (employee performance), multiple regression analysis was employed.

ANALYSIS AND RESULTS

Table 3: Response Rate

Categories of Employees	Copies of questionnaires Distributed	Copies of questionnaires Returned	Copies of questionnaires Not Returned	Percentage Copies of questionnaires Returned (%)
Non-clinical staff	282	250	32	70
Clinical staff	76	74	2	21
Total	358	324	34	91

Source: Field Survey, 2024.

Table 2 shows return rate of distributed questionnaire from respondents of clinical and non-clinical employees from the hospital. From the table, three hundred and fifty eight (358) copies of questionnaire were administered

to clinical and non-clinical employees. The rate of return shows that 324 respondents returned their questionnaires which are a representative of the population, translating to 91 percent rates which were used for the analysis. Out of these, 324 of them representing 70 percent were retrieved from non-clinical employees from University of hospital in Abuja, 2 of them representing 21 percent were retrieved from clinical staff employees from University of Hospital in Abuja, the 91% respond rate is high enough to be used for analysis in the study

Demographic characteristics of the Respondents

Table 3 Age Distribution of the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	31	9.6	9.6	9.6
26-33	48	14.8	14.8	24.4
Valid 34-41	211	65.1	65.1	89.5
50-above	34	10.5	10.5	100.0
Total	324	100.0	100.0	

Computed by Author using SPSS Statistical Software (Version 21).

Table 3 shows return rate of distributed questionnaire from respondents of university of Abuja teaching hospital, based on age. From the table, 31 respondents (9.6%) are within the range of 18-25 years, 48 respondents (48%) are within the range of 26-33 years, 211 respondents (65.1%) are within the range of 34-41 years, while 34 respondents (10.5%) are within the range of 50 and above. This means that majority of the respondents are aged between 34-41. This is because the research targets active staff populations of the hospital who are involved in the policy making of University of Abuja teaching hospital on work life balance.

Table 4 Categories of the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Clinical	86	26.5	26.5	26.5
Valid non clinical	238	73.5	73.5	100.0
Total	324	100.0	100.0	

Source: Computed by Author using SPSS Statistical Software (Version 21).

Table 4 shows the categories of respondents of university of Abuja teaching hospital. The table above shows that majority of the respondents that is 239 representing 73.5% of the total respondents work as non-clinical staff; only 86 respondents representing 26.5 % work as clinical. This shows that respondents from the various categories of the hospital were duly represented in the study most especially the nonclinical staff, since work life balance related problems are felt more by the nonclinical staff which the highest in term of respondents size.

H₀₁ Flexible work schedule has no significant impact on employees productivity of workers in UATH

Table 5 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.617	.132		12.262	.000
FWA	.478	.067	.369	7.130	.000

a. Dependent Variable: timeliness of service delivery

From the model, Equation 1

$$EP = \alpha + \beta_1 (FWS) + \dots\dots\dots 1$$

$$EP = 1.617 + 0.478FWS + \dots\dots\dots 1$$

Results Interpretation

Table 5 revealed a lot of significant computed values using the simple regression statistical technique via the SPSS. Based on the views of the respondents, the table revealed amongst many others, the mathematical equation indicating the most appropriate mix or combination of the adopted indices of the independent variable, work-life balance and the dependent variable employee productivity in university of Abuja teaching hospital, Abuja.

This mathematical equation for the impact of each of the adopted indices of Work-Life Balance on employee productivity as an index of the study's dependent variable (Employee Performance) was $EP = 1.617 + 0.478FWS$. That equation indicated that for every 1% variation in Employee Performance at the case study, there were 47.8% variations in the application

H0₂: leadership support has no significant influence on employee efficiency in UATH

Table 6: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.842	.176		10.441	.000
CD	.268	.090	.164	2.985	.003

a. Dependent Variable: commitment of workers

From the model, Equation 2

$$EF = \alpha + \beta_2 (LS) + \dots\dots\dots 2$$

$$EF = 1.842 + 0.268LS + \dots\dots\dots 2$$

Results Interpretation

Table 6 revealed a lot of significant computed values using the simple regression statistical technique via the SPSS. Based on the views of the respondents, the table revealed amongst many others, the mathematical equation indicating the most appropriate mix or combination of the adopted indices of the independent variable, work-life balance and the dependent variable employee's performance in university of Abuja teaching hospital, Abuja.

This mathematical equation for the impact of each of the adopted indices of LS on Employee's Performance as an index of the study's dependent variable (Employees efficiency) was $ee = 1.842 + 0.268CD$. That equation indicated that for every 1% variation in commitment of workers at the case study, there were 26.8 % variations in the application or enforcement of good leadership support.

Major Findings

The study aimed to investigate the impact of work-life balance in health sector on employee performance at the University of Abuja Teaching Hospital. The following key findings were made:

- i. The analysis revealed that flexible work schedule positively and significantly improves the employee's productivity among workers at UATH.
- ii. Leadership support positively enhances the employee's efficiency at UATH, leading to better job performance.

Discussion of Findings

The study found that flexible work schedule positively and significantly improves the employees productivity among workers at UATH and Leadership support positively enhances the employees efficiency at UATH, leading to better job performance. These findings are consistent with other findings by the likes of Also, Dissanayaka and Ali (2013), Hye (2013) Kamau, Muleke, Makaya and Wagoki (2013), Sehrish (2015) and many more, but inconsistent with the finding by Adeleye A. and Oludayo A. (2017) also conducted in Nigeria. This perspective provides a counterargument to the idea that work-life balance is always a significant determinant of employee performance. Instead, it suggests that the effectiveness of such policies may depend on the sector, culture, and organizational context in which they are implemented

CONCLUSION

The study concludes that implementing targeted work-life balance initiatives, including leadership-driven policies, flexible scheduling, and supportive work environments, can significantly reduce work-related stress and enhance job satisfaction among healthcare professionals. These initiatives not only improve employee well-being but also contribute to higher productivity, reduced burnout, and improved patient care outcomes. Additionally, fostering a culture that prioritizes work-life balance through continuous managerial support, counseling programs, and workload adjustments can lead to a more motivated and engaged workforce.

RECOMMENDATIONS

Based on these findings, the study recommends that hospital management integrate comprehensive work-life balance strategies tailored to the unique demands of healthcare professionals. Such strategies should include structured leave policies, employee wellness programs, childcare support services, and mental health initiatives. Regular assessment of these programs' effectiveness should be conducted to ensure continuous improvement and adaptation to the evolving needs of healthcare workers.

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MODERATING ROLE OF RESEARCH AND DEVELOPMENT INVESTMENT ON THE RELATIONSHIP BETWEEN FINANCIAL RATIOS AND DIVIDEND POLICY OF INSURANCE COMPANIES IN NIGERIA (2010-2025): CONCEPTUAL MODEL

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Abstract

In today's competitive business world, businesses must prioritise profit-driven growth and decide on a dividend policy to ensure stock prices and company value. However, 51 out of 156 Nigerian firms have not paid dividends in at least five years, some dating back to 26 years. Businesses must focus on improving financial performance to generate high dividends and improve performance before investing. Therefore, this research proposes a framework on the moderating role of R&D investment on the relationship between financial ratios and dividend policy of Nigerian insurance companies. The study employs a desktop review to develop convincing arguments for the variables under study. It reveals that R&D investment is crucial for stakeholders' understanding of financial ratios and dividend policy formulation. The study uses Signalling Theory to illustrate how high R&D investments can counter negative perceptions of lower financial ratios. Strategic management of R&D expenditures can improve market signals, boost investor confidence, and potentially stabilize or raise dividends. It highlights the impact of R&D investments on investor perception and behaviour regarding dividend policies, suggesting that traditional financial metrics may not accurately represent a company's long-term value proposition. It also emphasizes the need to consider innovation and growth investments in corporate finance. It further shows the importance of understanding R&D expenditure in financial strategy, highlighting its moderating role in resource allocation, enhancing market valuation, and stabilizing dividend pay-outs, thereby enhancing investor confidence.

Keywords:

R&D Investment, Financial Ratios, Dividends Policy, Insurance Companies, Nigeria.

1. Introduction

Businesses must prioritise profit-driven growth due to fierce international competition, and choosing a dividend policy is essential in the fast-evolving business world (Wiasih et al., 2024). A dividend policy distributes profits to shareholders as dividends and retains earnings for business expansion. Dividend Pay-out Ratio (DPR) is the percentage of profit given to shareholders; larger dividend payments increase stock prices and the company's worth (Daulay et al., 2023). However, a Premium Times review reveals that 51 out of 156 Nigerian firms have not paid dividends in at least five years, with some dating back 26 years. This means one in every three Nigerian companies on the bourse has not paid dividends to shareholders in at least half a decade. Growth-stage

companies often avoid dividends but focus on expansion, acquisitions, and product development. Only five of the 51 non-dividend-paying Nigerian companies have been posting profits since 2016. Other companies like Champion Breweries, Livestock Feeds, Union Dicon, Premier Paints, Daar Communications, John Holt, Royal Exchange Insurance, FTN Cocoa, and Guinea Insurance have also reported losses since at least 2013. These companies have been accumulating losses for years (Adamolekun, 2025).

Likewise, it is imperative to note that dividend policy plays a crucial role in corporate finance, impacting stakeholders and establishing the quality and reputation of the business. It demonstrates how well the company can run its operations and yield a profit. Nevertheless, industries often struggle to decide whether to pay dividends to shareholders or withhold profits for operational development (Mauris & Rizal, 2021). Businesses now depend on it because it significantly affects financing and investment decisions, including capital structure, liquidity, and investment opportunities. Consequently, companies must be well-versed in this policy (Anuar et al., 2023). Given that the factors influencing it are still unclear from the literature, it is regarded as the most contentious issue in the context of corporate finance. The assessment of a company's financial ratios during the dividend payment policy-making process can have an impact (Noviandari & Negoro, 2021).

Accordingly, it is anticipated that businesses that plan to pay dividends and prospective investors will focus on their financial ratios, particularly the amount of profits made, the debt load, and the company's growth (Trisnadewi et al., 2019). Additionally, it is essential to monitor and enhance the company's financial performance, specifically through the examination of financial ratios, to generate high dividends. Because it will affect the profits made, investors must consider the company's performance before investing (Romaui et al., 2021).

R&D projects by their foundation and external environment may be more expensive to the institution overall because the R&D concept considers committing to be just as significant as spending on personnel, equipment, and raw materials. Any business wants to make a profit, not only for itself but also for its customers, employees, and investors (Freihat & Kanakriyah, 2017). Companies that invest more in R&D are predicted to make higher profits than those that do not (Wang 2011). Despite this, the business's performance will always exceed its R&D costs. When equilibrium is achieved, the advantages of R&D will outweigh the expenses. Additionally, the performance of a business is determined by the amount of money it invests in R&D. These are the strategies for enhancing performance in this technological age (Ghaffar & Khan, 2014).

However, a company's dividend policy, which establishes how earnings are distributed to shareholders, can be complex and influenced by several factors, including capital structure, liquidity, and profitability. Financial ratios, on the other hand, are indicators of a company's financial health that affect stakeholder confidence and investment decisions. This relationship between financial ratios and dividend policy is an important topic of study in corporate finance, especially in the context of Nigerian insurance companies. Several theoretical frameworks provide insightful viewpoints on how financial ratios affect dividend policy in different contexts. These theories include signalling theory, agency, pecking order, Hery's (2016), Kasmir's (2015), Darmadj and Farukhrudini's theory (Akbar & Ariefianto, 2023; Ardelia & Lukman, 2023; Batubara et al., 2022; Witanto & Lesmana, 2023; Xu et al., 2021) While the signalling theory received little attention as regards the relationship between the variables under study in the literature. However, previous studies in the literature show that debt-to-equity affects dividend policy (Diana & David, 2023; Hutabarat et al., 2023; Marpaung et al., 2023; Nurdina et al., 2023; Silaban et al., 2024).

Similarly, asset turnover affects dividend policy (Batubara et al., 2022; Imronudin et al., 2020; Sebastian & Siauwijaya, 2021; Trizenda et al., 2024; Virandani & Sofyan, 2023), likewise working capital affects dividend policy (Malau et al., 2024; Sebastian & Siauwijaya, 2021; Sedaghati & Bokharayan, 2018; Xu et al., 2021) and collateralizable asset affects dividend policy (Akbar & Ariefianto, 2023; Andica, Djaddang, & Suyanto, 2022; Ardelia & Lukman, 2023; Permatasari et al., 2023; Witanto & Lesmana, 2023) but the findings revealed inconsistent and the duration of the data used in all of the studies ended in 2023. Perhaps this triggered the need for the introduction of a moderating variable. However, more interestingly experts have made suggestions on the need for the addition of other variables that will affect dividend policy, for instance, the likes of Silaban et al. (2024) and Hutabarat et al. (2023), though Diana and David (2023) suggested for the addition of other variables apart from the variables that are related to profitability, while Marpaung et al. (2023) believes that more periods than 4 years should be considered to get more varied results.

However, the Nigerian insurance sector, with its unique regulatory frameworks and market dynamics, is crucial in understanding financial ratios and dividend policies. However, existing literature often overlooks external variables that may moderate this relationship, such as R&D investment. R&D investment can enhance a company's competitive edge and long-term profitability, potentially affecting dividend distribution decisions. Empirical studies examining R&D's moderating effect on the relationship between financial ratios and dividend policy in Nigerian insurance firms are scarce. This presents a challenge for stakeholders who rely on financial metrics for informed investment and dividend decisions. A conceptual model elucidating R&D expenditure's moderating role is needed to contribute to a more nuanced understanding of financial management practices within the Nigerian insurance industry. Therefore, this study presents a proposed framework on the moderating role of R&D investment on the effect of financial ratios on dividend policy of Nigerian Insurance Companies.

2. Literature Review

2.1.1 Dividend Policy

Dividend policy is a declaration that shareholders will get dividends (DP) from profits, given as a return on investment. Management determines the return on investments and other factors that affect company performance. The payment of dividends is one of the four most important financial factors (Jatoi et al., 2023). Dividend policy of a company impacts its stock price changes, as the public responds favourably to declarations about dividend distribution. The community considers the business has enough funds for future growth and keeps a profit margin for dividend payments. Investors gain from increasing stock prices and dividends, which could contribute to further gains in share prices, indicating enhanced company performance (Christian & Dewi, 2022). Retained earnings are income held back for investment purposes, and the firm's dividend policy determines them. This can have an impact on investment and profitability by restricting the firm's ability to acquire additional assets (Udoka et al., 2022).

2.1.2 Financial Ratios

The simplicity and added information value of financial ratios make them a popular and widely used method for financial analysis; they allow for comparative, cross-sectional, and trend analysis of a firm's financial situation, making them perfect for input data in statistically complex models (Myšková & Hájek, 2017). To evaluate a company's financial performance, financial ratios are ratio calculations derived from financial reports (Guillaume et al., 2022). The following are examples of financial ratios: activity, profitability, leverage, and liquidity (Marito & Sjarif, 2020). This research accommodated four financial ratios: debt-to-equity ratio, asset-turnover ratio, working capital ratio, and collateralizable asset.

2.1.3 Debt-to-Equity Ratio (DER)

The proposed debt-to-equity ratio (DER) measures a company's leverage, meaning its ability to pay long-term debt. A lower DER suggests a larger effect of rising share prices and better long-term debt repayment. An increase in DER indicates a negative market signal, affecting investors' decisions to buy shares (Simanjuntak et al., 2023). The lower the ratio, the better; the higher the ratio, the less capital there is concerning debt (Sari & Santoso, 2023).

2.1.4 Asset-Turnover Ratio (ATR)

Asset turnover describes how frequently a company's assets change over the course of its operations, from production to sale. If a company experiences asset turnover, it can inevitably result in profits (Imronudin et al., 2020). The total turnover of assets determines a company's effectiveness in handling its assets, with higher turnover demonstrating proper asset management and greater dividend payment ability, suggesting a company's ability to optimise its achievements (Rizal & Triyanto, 2021).

2.1.5 Working Capital Ratio (WCR)

The determination of a company's dividend pay-out is influenced by its working capital management; however, the extent to which working capital affects the dividend pay-out remains unclear due to the conflicting results of most empirical research (Olang & Grace, 2017). Likewise, providing funds for working capital requirements or distributing funds to common shareholders (Mogire & Muturi, 2024). The ability of a business to turn a profit with a given amount of working capital, which guarantees more seamless dividend payments to investors, is referred to as profitability. It ensures a smooth return on investment and helps prevent problems with debt repayment (Daulay et al., 2023).

2.1.6 Collateralizable Asset (CA)

The assets that a business owns and can use as security for loans from creditors are known as collateralizable assets (Darmayanti & Mustanda, 2016). These assets are usually fixed assets that can be used as security for creditor loans (Ross et al., 2015). To lower the risk of default, creditors demand collateral as security for loans. Businesses with substantial CA are more likely to pay dividends because creditors view them as less risky (Akbar & Ariefianto, 2023). CA give creditors more credit security because they make a larger percentage of a company's fixed assets available as collateral for debt, which enables creditors to restrict the company's dividend policy to pay out higher dividends to shareholders (Muslih & Husin, 2019). Management can increase dividend payments to shareholders by increasing the amount of collateralizable assets (Chijuka & Hussein, 2023). Compared to those with smaller amounts, entities with large collateralizable assets can increase profits and distribute larger dividends (Rizal & Triyanto, 2021).

2.1.7 Research and Development (R&D)

Businesses that invest in R&D create new knowledge and ideas, turn them into goods and services, and improve operational growth and procedure development (Chung 2020). Investing in R&D is a component of corporate innovation activities. R&D improves firm performance by absorbing new technologies, building capabilities, and maintaining market position. Successful endeavours also result in effective production management and product development (Prahmod et al., 2012). Before a product is put into commercial production, research and development (R&D) transforms findings into better product designs (Kesio 2015; Zhao, 2002). Investments in R&D, which include basic analysis, applied analysis, and experimental development, are essential for the expansion of knowledge (Seraina, 2013). A key indicator of enterprise innovation activities, as each country defines them, is total domestic research and development (R&D) expenditure, which includes capital and

ongoing expenditures from companies, organisations, government labs, and universities (Jaklic, et al, 2014).

2.2 Empirical Review

2.2.1 Relationship between Debt-to-Equity Ratio (DER) and Dividend Policy

Silaban et al. (2024) studied the impact of ROA, current ratio, DAR, and DER on dividend policy in 20 Indonesian consumer goods manufacturing companies from 2019 to 2022. The study found that dividend policy is influenced by these factors simultaneously, with the DAR having a significant positive effect and the DER having a negative effect. Diana and David (2023) assessed the DPR of 40 Indonesian manufacturing companies from 2016-2020 using financial ratios like ROA, current ratio, and DER. Results showed that ROA and CR significantly impact the ratio, while the DER did not. These factors all significantly influence the ratio.

Nurdina et al. (2023) found that dividend policy in seven Indonesian building construction companies in the period 2017 and 2021 is influenced by the DER, but not managerial ownership or ROA. Marpaung et al. (2023) examined the impact of EPS, DER, and cash ratio on 11 Indonesian transport and logistics companies between 2018 and 2021. Results showed that cash ratio, DER, and EPS significantly improve the DPR, positively influencing the partial EPS to DPR. However, these variables have negligible impacts on other variables. Hutabarat et al. (2023) examine the effect of financial ratios on DPR of Indonesian food and beverage companies. Results show that current ratios positively affect the ratio, while ROA partial results positively impact it. The DER has no significant adverse effect. Handayani and Dewi (2023) study on 12 Indonesian food and beverage companies between 2017 to 2021, found that growth had a significant positive impact on dividend policies, while the DER and current ratio had no significant positive or negative effects. The research highlights the importance of growth in determining dividend policies.

2.2.2 Relationship between Asset-Turnover Ratio (ATR) and Dividend Policy

Trizenda et al. (2024) evaluate the impact of various factors on the DPR of ten Jakarta Islamic Index companies from 2017-2021. They found that ROA positively affected DPR, while firm size negatively affected it. Operating cash flow positively impacted DPR, while DER and ATR were unaffected. The DPR was also affected simultaneously. Virandani and Sofyan (2023) study on the DPR of 12 state-owned banks in IDX High Dividend 20 from 2018-2021 reveals that factors such as cash ratio, DER, ATR, ROA, and firm size all significantly impact the DPR. However, firm size had the most significant effect, with a 0.7143 effect, while the cash ratio, DER, total asset turnover, and return on assets had no discernible effect.

Batubara et al. (2022) test the impact of ROA, NPM, ATR, and stock price on dividend policy in 150 manufacturing Indonesian companies listed on the IDX 2016-2020 using the theories of Hery (2016), Kasmir (2015), and Darmadji and Fakhruddin (2012). The findings show that the dividend policy is partially and jointly affected by ROA, NPM, ATR, and stock price. Sebastian and Siauwijaya (2021) study revealed that the DPR of eight coal mining companies listed on the Indonesia Stock Exchange from 2016 to 2018 is influenced by various factors, with the DER having a significant and negative impact. However, the current ratio, ROA, working capital turnover ratio, and ATR did not significantly affect the DPR. Imronudin et al. (2020) evaluate the impact of liquidity, leverage, asset management, and business performance on dividend policies of nine property and building construction companies from 2015-2018. They found that liquidity did not affect dividend policy, while leverage negatively impacted it. ATR and profitability also positively impacted dividend policy.

2.2.3 Relationship between Working Capital Ratio (WCR) and Dividend Policy

Malau et al. (2024) studied the impact of net profit, free cash flow, WCR, funding, and profitability on dividend policy in 11 Indonesian food and beverage companies from 2019-2022. The F test and T-test results showed that all variables have a simultaneous and significant impact on dividend policy, while funding, profitability, net profit, and free cash flow have a partial and no impact on dividend policy. Xu et al. (2021) examine the impact of working capital and earnings on dividend payments in 1,575 London Stock Exchange companies from 1991 to 2015. They found that dividend-adjusted earnings are insignificant, while unadjusted earnings significantly influence dividend payout. The study also found an "inverse U-shape" relationship between working capital and dividend payout.

Sebastian and Siauwijaya (2021) study reveals that the DPR of eight coal mining companies listed on the Indonesia Stock Exchange from 2016 to 2018 is influenced by various factors, with the DER having a significant negative impact. However, the current ratio, ROA, ATR, and WCR do not significantly affect the ratio. Sedaghati and Bokharayan (2018) examined the connection between dividend policy and WCR in 126 Tehran Stock Exchange-listed companies between 2007 and 2013. The findings indicated a strong and favourable correlation between benefit division policy and working capital.

2.2.4 Relationship between Collateralizable Asset (CA) and Dividend Policy

Permatasari et al (2023) study on 13 Indonesian manufacturing companies' dividend policies from 2018-2021 reveals that insider ownership significantly impacts the policy, while free cash flow and CA do not significantly affect it. The study concludes that these factors collectively influence the policy. While Witanto and Lesmana (2023) study on 13 Indonesian companies in the period between 2016 to 2020 using agency theory found that managerial ownership and CA positively impact dividend policy, while firm size has a negative impact. The study was conducted between 2016 and 2020. Akbar and Ariefianto (2023) study on 367 non-financial companies in the ASEAN region found that operating cash flow negatively impacted dividend policy, while profitability positively affected it, suggesting higher-profitability companies are more likely to pay dividends. However, CA did not have a significant impact on dividend policy.

Ardelia and Lukman (2023) examine the influence of board independence, size, management ownership, institutional ownership, and CA on the dividend policy of 17 Indonesian public companies from 2016 to 2020. They found that management ownership and CA positively affect dividend policy, while institutional ownership, board independence, and board size do not. Andica et al. (2022) studied DPR, profitability, leverage, CA, and company size in 32 Indonesian manufacturing companies from 2015-2020. Results showed that leverage significantly reduced DPR, but business size and CA had no significant impact. Profitability did not reduce the effect of CA, but firm size and leverage did.

2.2.5 Research and Development (R&D) as a Moderator

Kafitasari et al. (2024) conducted a study on dividend policy of 31 Indonesian companies between 2018 to 2022, analyzing factors such as free cash flow, ownership dispersion, insider ownership, asset growth, and R&D investment. The study found that free cash flow positively influenced dividend policy, while insider ownership negatively affected it. R&D investment, asset growth, and ownership distribution did not affect dividend policy. Nagasawa and Ito (2023) analyse the impact of R&D investment on dividend policy for established companies as well. Utilising a sample of manufacturing companies in Japan from 2001 to 2014. The findings indicate that, in contrast to young, growing companies that frequently don't pay dividends, established companies that place a higher priority on R&D investment still pay out larger dividends to investors to reduce agency problems.

Additionally, the study reveals that when institutional shareholder monitoring and debt discipline become more effective alternative governance mechanisms, the positive correlation between R&D investment and dividends for established firms diminishes.

Hasan et al. (2022) study explores the impact of investor protection and national governance practices on the relationship between R&D investments and dividend payments in BRICS companies. They found that while R&D intensity and cash dividend payments have a negative relationship, this relationship improves when investor protection and other national mechanisms are considered. Investor protection has a greater influence on the relationship between R&D intensity and firm cash dividend payments. Lee and Lee (2019) study on biotech companies in South Korea found a negative correlation between dividend payout and R&D intensity. They also found that a lower dividend policy combined with larger internal cash holdings positively correlated with long-term corporate value. In biotech companies with high stock dividends, there was a significant positive correlation between cash holdings and corporate firm value. The study also revealed that cash dividends are typically paid out by non-biotech companies in the maturity stage of their corporate lifecycle, which is rare among biotech companies in a steady state of research and development.

However, although there are a limited number of studies that use R&D as a moderator between dividend policy and other independent variables was used as a moderator in other studies like that of Diéguez-Soto et al. (2019) who investigated the moderating influence of R&D intensity on the relationships between family management and firm performance in private firms. Likewise, Ibrahim et al (2023) use R&D to moderate between dividends policy and firm performance of consumer goods firms in Nigeria. This shows that R&D investment can also be used to moderate the relationship between financial ratio and dividend policy in the context of Nigeria.

2.3 Theoretical Framework

2.3.1 Signalling Theory

This theory suggests that companies use dividends as a communication tool to signal their financial health and prospects to investors (Bhattacharya, 1979). In the study, this theory gave a framework for comprehending how R&D investments can influence the interpretation of financial ratios and dividend decisions. Investing in R&D signals a company's commitment to innovation and long-term growth, which can enhance profitability and competitive positioning. Investors may perceive high R&D expenditure as a positive signal, indicating the firm's potential for higher future earnings (Miller & Rock, 1985). Financial ratios, such as ROE and EPS, serve as indicators of a company's performance. High R&D spending may temporarily depress these ratios, potentially leading to a conservative dividend policy (Easterbrook, 1984). The relevance of Signalling Theory lies in its ability to explain the complex relationship between R&D expenditure and dividend policy through investor perception and information asymmetry. By incorporating R&D as a moderating variable, the study can help firms effectively communicate their growth strategies and financial health through their dividend policies, even in the face of fluctuating financial ratios.

2.3.2 Conceptual Model

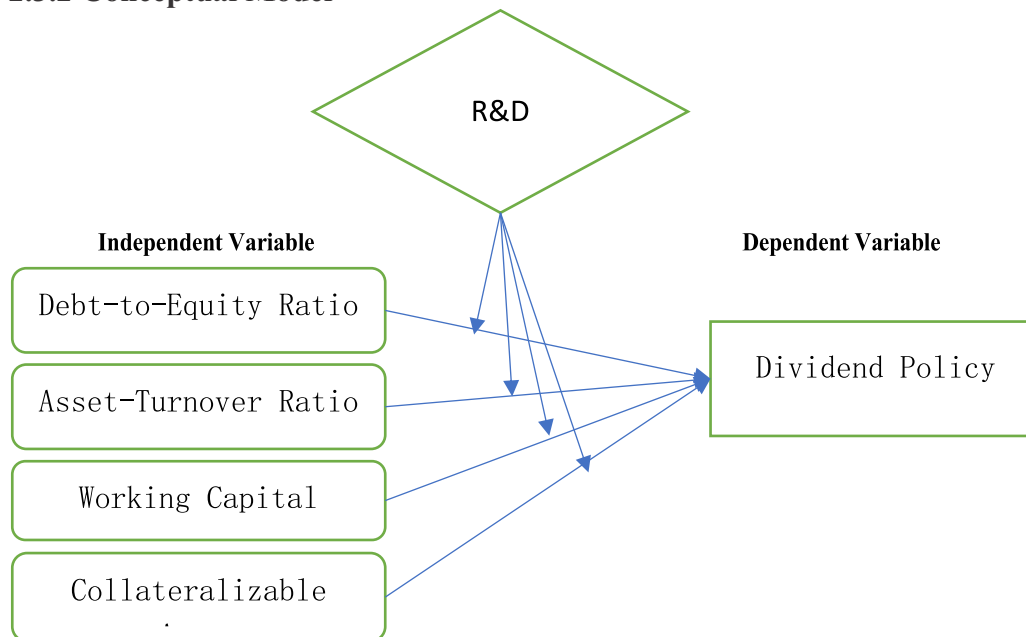


Figure 1 Proposed Research Model

$$DPR = \alpha + \beta_1 DER_{it} + \beta_2 ATR_{it} + \beta_3 WC_{it} + \beta_4 COL_{it} + \beta_5 FS_{it} + \beta_6 FA_{it} + \varepsilon_{it} \dots \dots \dots (i) C$$

$$DPR = \alpha + \beta_1 DER_{it} + \beta_2 ATR_{it} + \beta_3 WC_{it} + \beta_4 COL_{it} + \beta_5 R\&D_{it} + \beta_6 DER * R\&D_{it} + \beta_7 ATR * R\&D_{it} + \beta_8 WC * R\&D_{it} + \beta_9 COL * R\&D_{it} + \beta_{10} IR_{it} + \beta_{11} INF_{it} + \varepsilon_{it} \dots \dots \dots (ii) R$$

Where:

DPR = dividend payout ratio (the ratio of dividend per share to earnings per share)

α = constant

β = regression coefficient

DER = debt-to-equity ratio

ATR = asset turnover ratio

WC = working capital ratio

COL = Collateralizable Asset

R&D = research and development

IR = interest rate

INF = inflation rate

ε = error term

The syntheses of the literature and theoretical review form the following:

Propositions

1. Debt-to-equity ratio affects firm dividend policy of consumer goods companies in Nigeria
2. Asset turnover ratio affects dividend policy of consumer goods companies in Nigeria
3. Working capital ratio affects dividend policy of consumer goods companies in Nigeria
4. Collateralizable asset ratio affects dividend policy of consumer goods companies in Nigeria
5. R&D investment moderates the relationship between the debt-to-equity ratio and dividend policy of consumer goods companies in Nigeria
6. R&D investment moderates the relationship between the asset turnover ratio and dividend policy of consumer goods companies in Nigeria
7. R&D investment moderates the relationship between the working capital ratio and the dividend policy of consumer goods companies in Nigeria.

8. R&D investment moderates the relationship between the collateralizable asset ratio and the dividend policy of consumer goods companies in Nigeria.

3.0 Research Method

The study is fully based on a desktop review that seeks books, journals, news articles, websites, government publications, and prior research. The body of recent literature supports the majority of the arguments put forth to evaluate the variables being studied. The study can conceptualise the moderating effect of R&D investment on the relationship between financial ratios and dividend policy of Nigerian Insurance companies thanks to the data synthesised from published articles and institutional websites.

4.1 Conclusion

This study on the Moderating Effect of R&D Expenditure on the Relationship between Financial Ratios and Dividend Policy of Nigerian Insurance Companies explains the intricate connections between financial ratios and dividend distribution plans in a specific market context. The findings highlight the fact that, despite being crucial for assessing a company's health, financial ratios do not operate in a vacuum. Instead, R&D investment is a significant moderator that influences stakeholders' comprehension of these ratios and, consequently, the formulation of dividend policy. Through the use of Signalling Theory as a theoretical framework, the study demonstrates how R&D investments are an essential indicator to investors of a business's dedication to expansion and innovation. During times of high R&D investment, these signals can help counteract the negative perceptions that are frequently connected to lower financial ratios. Therefore, companies can improve their market signals, boost investor confidence, and possibly stabilise or raise dividends despite changes in financial performance metrics by strategically managing their R&D expenditures.

In addition, this study fills a significant gap in the literature by evaluating the relationship between R&D and dividend policy in the Nigerian insurance industry, which has historically received little attention. The research has important practical implications because it emphasises the significance of incorporating R&D considerations into financial decision-making processes, and companies can gain insight into how their dividend policies are shaped by their strategic investments in innovation rather than just current financial ratios. In general, there are many facets and complexities in the relationship between dividend policy and financial ratios, especially when it comes to R&D spending. To improve our knowledge of dividend policies in emerging markets, future studies could build on these findings by examining other moderating factors like market dynamics and regulatory frameworks. In the end, this study promotes a comprehensive approach to financial management that acknowledges the critical role that research and development play in forming business plans and bolstering stakeholder confidence.

4.2 Theoretical Implication of the Study

The study highlights the role of R&D investments in influencing investor perception and behaviour regarding dividend policies. It emphasizes that dividends are not just reflections of current profitability but are complex signals shaped by a firm's investment strategies. The research also emphasizes the interplay between R&D expenditure and financial ratios, suggesting that traditional financial metrics may not fully capture a company's long-term value proposition. The study also highlights the importance of considering broader variables, such as innovation and growth investments, when analysing corporate financial behaviour. It also contributes to the literature on corporate finance in emerging markets, highlighting the need for future research to explore similar relationships across different industries and regions.

4.3 Practical Implication of the Study

The study has significant implications for corporate managers, investors, and policymakers in the financial sector. It suggests that understanding the moderating role of R&D expenditure can inform strategic decisions regarding resource allocation, as companies that prioritize R&D signal their commitment to innovation, which can enhance market valuation and stabilize dividend pay-outs. This insight encourages managers to view R&D as a critical component of long-term financial strategy rather than just an operational expense. Investors can use this insight to make more informed decisions, assessing the viability of dividend policies and forming more nuanced investment strategies. Policymakers should foster an environment that encourages R&D investment within the insurance sector, implementing policies that support innovation, leading to improved dividend policies and greater investor confidence. This study underscores the need for a holistic approach to financial management, emphasizing the interplay between R&D, financial ratios, and dividend policies.

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EFFECT OF EMPLOYEE CAPABILITY DEVELOPMENT ON PERFORMANCE OF SMES IN MAIDUGURI METROPOLIS

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Abstract

This study examines the effect of employee capability development on the performance of small and medium-sized enterprises (SMEs) in Maiduguri Metropolis, Nigeria. It highlights the pivotal role of a skilled and competent workforce in enabling SMEs to overcome resource constraints, adapt to competitive challenges, and drive sustainable growth. The research emphasizes the importance of structured employee development programs, which are believed to enhance organizational efficiency, employee motivation, and customer satisfaction, ultimately contributing to the overall performance of SMEs. The study adopts a descriptive survey research design and targets a population of 550 registered SMEs in Maiduguri Metropolis. Using Krejcie and Morgan's (1976) table for sample size determination, a sample size of 226 respondents was selected. Data was collected through structured questionnaires distributed to SME owners and managers. Contrary to expectations, the findings reveal that employee capability development has no significant effect on the performance of SMEs in Maiduguri Metropolis. These results suggest that other factors may play a more critical role in determining the performance of SMEs. The study highlights the need for further research to identify additional variables influencing SME performance and recommends tailored strategies for fostering employee growth in the context of SMEs.

Keywords:

Employee Capability,
Development, SMEs,
Performance

Introduction

The performance of Small and Medium Enterprises (SMEs) remains a subject of debate among researchers, practitioners, and policymakers due to their significant role in economic development and job creation (Bamfo & Kraa, 2022). Despite their importance to national economies, SMEs often struggle with poor performance (Ngundo, 2020). These challenges arise from various constraints, including a lack of human capital development, insufficient financial resources, inadequate education, and limited managerial expertise (Akinso, 2018). To improve their performance, SMEs must adopt strategic approaches that enhance their capabilities and ensure long-term sustainability within their industries.

Employee capability development is a basis for improving organizational performance, particularly in small and medium-sized enterprises (SMEs) that often face resource constraints and competitive pressures. Capability development include training, mentorship, skills enhancement, and career development initiatives that empower employees to perform effectively and adapt to dynamic business environments. According to

Adeniyi et al. (2024), investments in human capital are critical for achieving sustained competitive advantage, as they enable employees to contribute innovatively and efficiently to organizational goals. SMEs, which account for a significant portion of economic activities in Nigeria and particularly in Maiduguri Metropolis, depend on a skilled and adaptable workforce to steer challenges such as limited access to capital, market volatility, and technological advancements (Yahaya et al., 2021)

As noted by Adeyemi, (2022), organizations that prioritize learning and development are better positioned to respond to market changes and innovate in their operations. For SMEs in Maiduguri, embracing such an approach could lead to improved operational efficiencies, enhanced customer satisfaction, and ultimately, better financial performance (Tgouab & Issor, 2019). Moreover, career development fosters employee motivation and engagement, which are crucial for sustaining organizational performance, by offering clear career pathways and training opportunities, SMEs can attract and retain talent, even in competitive labor markets. Evidence from global SMEs highlights the positive impact of structured employee development programs on firm competitiveness, resilience, and long-term growth (Çetin & Tolay, 2022).

In the context of Maiduguri Metropolis, SMEs are pivotal to economic recovery and growth, particularly in a region affected by socio-economic disruptions and insecurity. However, many SMEs struggle with low productivity and high employee turnover, partly due to inadequate investments in employee development (Akpamah, 2023). This challenge is exacerbated by the lack of structured development programs and limited awareness of their long-term benefits among SMEs owners and managers. Enhancing employee capabilities in these enterprises can lead to improved job performance, innovation, and customer satisfaction, ultimately contributing to the growth and sustainability of the sector. This study aims to examine the relationship between employee capability development and SMEs performance, by giving insights into effective strategies that can be adopted to foster sustainable growth within the SMEs in Maiduguri Metropolis.

Literature Review

SMEs Performance

SMEs performance is described as the outcome of various efforts and activities undertaken by business enterprises, encompassing strategies, operational tasks, and the management of critical segments such as human resources, finance, production, and marketing (Akpan et al, 2022). It represents the actions taken by an enterprise to achieve its objectives, which may include employee satisfaction, customer satisfaction, societal contributions, survival, sales growth, return on investment, employment creation, and overall profitability. In essence, performance reflects the actual results achieved compared to the expected outcomes (Kong, Antwi-Adeji & Bawuah, 2020). Additionally, Mercy, et al. (2015) emphasized that the performance of SMEs is also determined by how effectively the business is managed, including the value delivered to customers and the consideration of other stakeholders' interests in assessing organizational success.

However, Ngundo (2020) opined that SME performance refers to the evaluation of an enterprise's achievements based on its goals and objectives. Performance is defined as the assessment of an organization's managerial effectiveness and the value it delivers to multiple stakeholders. This definition challenges those responsible for performance measurement to determine the extent to which organizations quantify the value they provide to consumers and whether it encompasses all critical components of performance management.

Employee Capability Development

Lartey, (2021) described employee capability development as the process through which employees acquire and refine skills that enhance their efficiency and effectiveness in achieving the desired outcomes of specific

organizational segments. He further highlighted that capability development acts as a substance for transforming employees, which, in turn, improves the overall efficiency and effectiveness of organizations. In this context, market share reflects the total sales achieved by SMEs through employees utilizing their skills to attract and persuade both current and prospective customers to purchase their products. Similarly, Neeta (2020) explained that capability development measures the ability of employees to achieve organizational objectives, particularly in alignment with its mission. Neeta (2020) also emphasized that employee capability development is widely recognized as a strategic tool for advancing business operations, ultimately contributing to the market share of small and medium enterprises.

Similarly, Shamsudin et al. (2023) argued that capability development benefits not only the organization but also the individual employee. It enhances job knowledge and skills across all levels of the organization, boosts employee morale, and fosters alignment with organizational goals. Moreover, knowledgeable and skilled employees are better equipped to manage customer interactions effectively, thereby contributing to an increased market share for small and medium enterprises.

Empirical Review

Shamsudin et al. (2023) carried out a study on SME Performance: Examining the Relationship Between Training and Development, Employee Performance Evaluation and Rewards. The study employs a descriptive survey design. Questionnaires will be administered to human resource managers and senior executives in SMEs who are responsible for managing human resources. The collected data will be analyzed for reliability and subjected to multiple regression analysis, Pearson's correlation test, and PLS-SEM to estimate a model comprising multiple constructs, indicator variables, and structural paths. The findings will benefit SMEs by highlighting the HR practices that have the greatest impact on organizational performance. Additionally, HR practitioners can use the results to advocate for and implement effective HR practices, thereby enabling SMEs to sustain their operations and achieve business growth.

Zongyuan (2025) carried out study to explore the Impact of Employee Competencies on Firm Performance in Manufacturing SMEs in Malaysia: A Dynamic Capabilities View. The used descriptive survey design with sample size of 313 manufacturing SMEs in Malaysia and employing PLS-SEM, the proposed model was tested. The findings of the study revealed that there is a positive impact of employee competencies on Firm performance and the mediating role of organisational agility in the Employee competencies –firm performance relationship.

Li (2023) conducted a study on Employee Capability and Knowledge as Driving Forces for SMEs Competitive Advantages. Drawing upon interview findings with over 30 SME owners, CEOs, and managers in the UK, this study explores how SMEs strive to utilise their employee's knowledge and networks to build businesses and drive innovation. Results show that SMEs are highly dependent on employee's capabilities. Additionally, teamwork, interactions, and a positive Employer-employee relationship further proliferate knowledge sharing and ideas for innovation.

Khattak, Iqbal and Khattak (2013) study the relationship between employee participation and organization performance in milieu of Pakistan. Three dimension of employee participation are studied which includes empowerment, team orientation and capability development as sub independent variables. Organizational Performance is measured through open interval model results, rational model results and human relations model results. Data collected from different organizations of Pakistan by using questionnaire with sample size of 509.

Correlation and regression analysis is used to establish relationship amongst the variables and to prove three hypotheses. Results confirmed that organizational performance increases ranges from 56% to 94% due to employees' participation in Pakistani organizations. Furthermore, empowerment, team orientation and capacity development contrive strong and positive relationship with organizational performance.

Theoretical Review

Human Capital Theory

The Human Capital Theory, developed by Gary S. Becker in 1964, emphasizes the importance of investing in employees' skills, knowledge, and abilities to enhance organizational performance (Becker, 1964). Becker argued that human capital, like physical capital, contributes to productivity and economic growth. Organizations that invest in education, training, and capability development of their workforce can achieve higher efficiency, innovation, and competitive advantage. This theory has been widely applied in various industries, particularly in SMEs, where resource constraints make workforce development a critical factor in business success (Schultz, 1971).

In the context of this study on the effect of employee capability development on SMEs performance in Maiduguri Metropolis, the Human Capital Theory is highly relevant. SMEs often face challenges related to limited financial and technological resources, making human capital a key driver of their growth and sustainability (Bapna et al., 2013). By investing in employee capability development through training, mentorship, and skill enhancement programs, SMEs can improve workforce productivity, reduce operational inefficiencies, and enhance their overall performance (Marimuthu et al., 2009). The theory supports the argument that well-trained employees contribute to customer satisfaction, innovation, and market expansion, all of which are crucial for SME success.

Furthermore, applying this theory to SMEs in Maiduguri is particularly important given the region's economic and social challenges. Many businesses struggle with a lack of skilled labor, and employee turnover remains a significant issue (Obisi, 2011). By adopting a human capital investment approach, SMEs can build a more competent workforce, leading to improved service delivery, adaptability to market changes, and long-term business sustainability (Nyberg & Ployhart, 2013). This study, therefore, aligns with the Human Capital Theory by exploring how employee capability development influences SME performance and whether structured training programs can drive business growth in Maiduguri Metropolis.

Methodology

This study adopts a descriptive research design to examine the effect of employee capability Development on SMES performance in Maiduguri Metropolis. Primary data were obtained through a structured questionnaire. A sample size of 226 respondents was initially determined using Krejcie and Morgan's (1976) sample size determination table for a population of 550 registered SMEs in Maiduguri Metropolis. To account for potential non-responses and sampling errors, the sample size was increased by 100%, as recommended by Bartlett, Kotrlik, and Higgins (2001) and Salkind (1997), resulting in a final sample size of 452. The study employed a simple random sampling technique to select SMEs within the Maiduguri Metropolis. The questionnaire was based on a five-point Likert scale ranging from "Strongly Agree (SA)" to "Strongly Disagree (SD)." Data analysis involved both descriptive and inferential statistics, including percentage distributions and table presentations, facilitated by the Statistical Package for Social Sciences (SPSS) version 27. Hypotheses is tested using simple regression analysis.

RESULTS AND DISCUSSION

A total of 452 questionnaires were distributed to SME owners and managers in Maiduguri Metropolis, Borno State, Nigeria. Of these, 400 were properly completed and returned, resulting in a response rate of 88.4%.

Table 4.1 presents the response rate of the study.

Table 1 Response Rate of the Questionnaires

Questionnaires Distributed	Responses
Number of distributed questionnaires	452
Number of retrieved questionnaires	400
Number of Questionnaires not retrieved	52
Response rate in %	88.4

Source: Field Survey (2025)

Test of Hypotheses

Ho: Employee capability development has no statistically significant effect on SMEs performance in Maiduguri Metropolis.

Multiple regression analysis was conducted for the variables using SPSS version 27. The main objective is to determine the relationship between independent variables and dependent variable. The results of regression analysis provided the answers to research objectives and the hypotheses of the study.

Table 2 Hypothesis Testing

Model	B	Std. Error	T Stat.	Sig.
1 (Constant)	12.345	1.649	7.488	0.000
Employee Capability Development	0.016	0.087	0.180	0.857

a. Dependent Variable: SMEs Performance

The results of the hypothesis testing presented in Table 2 indicate that the constant value (intercept) for the model is 12.345 with a standard error of 1.649, which is statistically significant ($T = 7.488$, $p = 0.000$). This suggests that when all other variables are held constant, the baseline performance of SMEs is 12.345. The coefficient for employee capability development is 0.016, with a standard error of 0.087. However, its T-statistic (0.180) and significance value ($p = 0.857$) indicate that the relationship between employee capability development and SME performance is not statistically significant. This implies that within this model, changes in employee capability development do not have a meaningful impact on the performance of SMEs in this context. This result didn't corroborate with findings of Khattak, Iqbal and Khattak (2013).

Conclusion

The findings of this study indicate that while employee capability development is an essential aspect of workforce management, its influence on SME performance in this context was not statistically significant. The results showed that the coefficient for employee capability development had a low value and a high significance level ($p > 0.05$), suggesting that variations in this variable do not meaningfully impact SME performance in Maiduguri Metropolis. This outcome may point to several potential explanations, such as the possibility that employee capability development practices within the sampled SMEs are not strategically aligned with organizational goals, or that other factors, such as market conditions, technology adoption, or leadership effectiveness, may play a more critical role in driving performance outcomes.

Recommendations

Despite the lack of statistical significance, this study highlights the importance of considering employee capability development as part of a broader strategy for organizational growth. It is possible that with more targeted and systematic capability development initiatives, SMEs could better harness their workforce's potential to achieve higher performance levels. Future research should explore the relationship between employee capability development and other organizational factors, such as innovation, job satisfaction, and leadership styles, to better understand the conditions under which capability development contributes to SME success. Additionally, qualitative insights from employees and managers could provide a deeper understanding of how such practices are implemented and perceived within the SME context.

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TAX REVENUE AND BUDGET IMPLEMENTATION IN SELECTED WEST AFRICAN COUNTRIES

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ABSTRACT

Tax revenue is considered to be an important factor in budget implementation. It was on this basis that this paper examined tax revenue and budget implementation in some selected West African countries. Specifically, the study examined the effect of corporate profit tax, value added tax and custom and excise duties on total expenditure of the selected West African countries. The paper used panel data methodology of 5 West African countries over 10 years, spanning from 2008–2017. Data sourced from Organization of Economic Co-operation Development (OECD). Revenue Statistics in Africa was analyzed using panel techniques of estimation including pooled OLS, fixed effect and random effect estimation, alongside post estimation test such as restricted F-test, Hausman test, Wald test of heterogeneity, Wooldridge autocorrelation test and Pearsan test of cross-sectional dependence. It was discovered that corporate profit tax exerted a positive and significance effect on total expenditure, value added tax exerted a positive but insignificant effect on total expenditure, and that there was a positive and significant effect of custom and excise duties on capital expenditure with coefficient and p-values. It was concluded that tax revenue exerted a positive and significant effect on budget implementation. It was therefore recommended that government of West Africa countries are urged to work out modalities, such as adequate supervision and internal control mechanism that will ensure that revenues are utilized as expected and that investment on capital projects should be a priority for the government and duplication of offices is a ankerworm that need to be discouraged.

Keywords:

Budget Implementation,
Corporate Income Tax,
Custom and Excise Duties,
Tax Revenue, Value Added
Tax

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Introduction

The imperativeness of a management tool to effectively and efficiently manage the government resources is indispensable to a nation's growth. In the private or public sector, wants appear to always supersede the means to achieve them. Economists put it in a better way that “human wants are unlimited but the means to satisfy them are limited”. This calls for the use of an efficient management tool that will harness the limited resources for optimal use. One of the machineries of government that can be used for this purpose is budget. Obara (2013)

noted that the government of every country prepares a budget in the form of public policy to serve as a driver through which the living standard of people is raised and the overall economic performance is improved.

Government has development objectives to be achieved within a stipulated time hence, there is a need for a detailed framework matching the available resources with the expected expenditure. It is an instrument stipulating policies and programmes aimed at realizing the development objectives of a government (Oke, 2013). As good as budget is to the development of a nation, the performance of which can be measured in terms of implementation seems to fall of expectations in most of the developing counties. Budget implementation is far from reality and the differences between budget and accomplishment are so wide and kept on abating as years pass by (Onyiah, Ezeamama, Ugwu & Mgbodile, 2016).

Budget implementation means ensuring that both revenue and expenditure forecasts contained in the approved budget are achieved within the fiscal years (Olaoye & Akinola, 2019). Budget implementation is expected to improve the economic growth of nations and improve the standard of living as public expenditure outlined in the budget are incurred to satisfy collective socio-economic needs that can translate to sustained development. The implementation appears to fall below the stated plans. That is, the level of budget implementation in developing countries, particularly West African countries, seems not to be encouraging. This might be attributed to revenue generated.

Countries have been known to develop through revenue generation, particularly the domestic ones. Revenue is the wheel through which the affairs of a nation are directed. It determines the operational activities of every part of the economy. As noted by Alade, Olaoye and Ojo (2019), revenue could be domestic in terms of tax revenue or foreign in terms of borrowing, is the fund needed by the government of a nation to defray her expenditures. To meet the expected public expenditure as stipulated in the budget, adequate revenue must be generated and made available. In the context of this study, revenue is restricted to tax revenue generated by the West African States to facilities efficient budget implementation in the region.

The structure of the tax revenue of countries in Africa takes different dimensions however, it has continued to take a new form recently. This might be due to the sharp decline in government revenue from both the end of the so-called commodities super-cycle and the oil price crash (McNabb, 2017). In recent times, tax revenue collected by Sub-Saharan African countries is more than those in the Middle East and North Africa [MENA] or South Asia and indeed, is catching up quickly with the East Asia and Pacific region (Olaoye & Akinola, 2019). Tax revenue is, therefore, becoming more recognized and harnessed by developing nations of the world for ensuring full attainment of the mission of every government in terms of effective and efficient public expenditure execution.

As observed by the researcher coupled with the available studies, tax revenue and budget implementation in West African countries is yet to receive an extensive empirical overview from researchers. Available studies on tax revenue have focused largely on economic growth except for a few studies that focused on government expenditure and budget implementation. For example, Al-Khulaifi (2012) studied the link between taxes and expenditure for Qatar using Granger co-integration technique, Nwosu and Okafor (2014) assessed government revenue and expenditure in Nigeria using Error Correction Mechanism (ECM) as the method of analysis, Kanu, Ozurumba and Ihemeje (2014) determined the relationship between federal government of Nigeria's revenue and expenditure profile for the period using granger causality and co-integration approach, Hassan and Abdullah (2015) investigate the impact of oil revenue and the economic growth of Sudan using regression analysis, Nemanja (2015) examined government expenditure and government revenue – the causality on the example of

the Republic of Serbia and Olaoye and Akinola (2019) examined tax revenue and budget implementation in Nigeria (2019) using Error Correction Model (ECM) estimation.

This study intends to analyze tax revenue and budget implementations of some selected West African countries with respect to corporate profit tax, value added tax and custom and excise duties as proxies for tax revenue and total government expenditure as a proxy for budget implementation.

Literature Review

Revenue

Revenue simply referred to the funds generated by the government to finance its activities. In other words, revenue is the total fund generated by all tiers of government to meet their expenditure for a fiscal year (Adedokun, 2018). Revenue also refers to the grand total of money or income received from different source of which expenses are incurred (Akinlo, 2012). It is the money received by government from all sources which enables it to undertake all its expenditures. Ali (2011) defined revenue as an income required by the government to finance its growing expenditure. It is the raising of resources needed to defray public expenditure.

Aregbeyen and Kolawole (2016) defined revenue as the fund required by the government to finance its activities. These funds are generated from different sources such as taxes, borrowing, fines, fees and so on. Ali and Shah (2012) contend that revenue receipt includes routine and earned income. For these reasons, according to them, revenue does not include borrowing and recovery of loans from other parties, but it includes tax receipts, donations, grants, fees and fines and so on. Alade, Olaoye and Ojo (2019) described revenue as an income or funds generated to meet the expenditure. Revenue could, therefore, be defined as an income or funds generated to meet expenditures which is to be incurred by a constituted authority. In the context of this study, tax revenue is used.

Tax is simply a compulsory financial charge or some other type of levy imposed upon an individual, corporation or legal entity by a governmental organization in order to fund various public expenditures (Hamdi & Sbia, 2013). Attesting to this, Garcia (2012) viewed tax as a levy by a government or its agencies on individuals, companies and (or) on goods and services, homemade, imported, exported and so on. On the other hand, Ibrahim (2018) defined tax as a compulsory payment made by a citizen for which there is no immediate commensurate return. It is a burden which every citizen must bear to sustain his government. Tax, thus, becomes a burden that everyone must bear to support the government. Government uses tax to perform their functions.

Sources of Tax Revenue

There are many forms of tax revenue peculiar to each country, even in West Africa countries. However, in line with the objectives of this study, three forms of tax revenue that are common to Nigeria, Ghana, Mali, Cabo Verde and Niger are discussed.

Company Income Tax

Company income tax is one of the various tax structures available to government of Nigeria and every other government in West Africa States. This is a revenue which is often referred to as corporate tax. Igbanan (2017) posited that this tax is payable as specified upon profits of any company accruing in, derived from, brought into, or received in the resident country in respect of amongst others, any trade or business for whatever period of time the trade or business may have been carried out.

The current rate of companies' income tax is 30%, 25%, 30%, 22% and 30% for Nigeria, Ghana, Mali, Carbo

Verde and Niger respectively for assessable income. Attesting to this, Murat and Murat (2009) opined that company income tax is primarily payable on profit of companies at the company income tax rate of each country and that the rate is different across the globe. In Nigeria, the law permits Federal Board of Inland Revenue (FBIR) to deem a position of the turnover or gross income of foreign company liable to company income tax as profit. The deemed income of the company will be 20% of the turnover. Such deemed income assessed will be liable to tax at the current company's tax rate of 30% in which the final assessment will amount to 6% of total income. Effectively, the company will be assessed for income tax at 1% of its turnover, as 5% would have been withheld (Macek, 2014).

Value Added Tax (VAT)

Value Added Tax (VAT) as a form of taxation has taken centre stage and it is being operated in almost all the developing and developed countries around the world. VAT is a consumption tax, levied at each stage of the consumption chain and borne by the final consumer of the product or service. Adedokun (2018) defined value added as the difference between the increase in the value of goods or services in the process of their production or delivery. It is a form of indirect tax applied at each stage of production to the value added.

Enokela (2010) defines VAT as a tax levied on the additional value added at each stage of firms' production cycle. Supporting this, Ahmad and Masen (2015) asserted that it is an indirect tax levied on the increase in value of goods and services in the course of their production or supply, while Akinlo (2012) opined that VAT is an indirect tax levied on consumption. The various definitions tend towards the same direction. The modality of its application involves a multi-stage collection procedure. This means that at each stage of a manufacturing or operating process VAT is paid and collected by the buyer and supplier respectively. Currently, the VAT rate of Nigeria, Ghana, Mali, Carbo Verde and Niger are 7.5%, 12.5%, 18%, 15% and 5% respectively.

Custom and Excise Duty

Custom duty is an example of indirect tax which consists of both export and import duties. According to Hamdi and Sbia (2013), Customs duty is a tax levied on imports (and sometimes on exports) by the customs authorities of a country to raise revenue for the state and/or to protect domestic industries from more efficient or predatory competitors from abroad. Customs duty is based generally on the value of goods or upon the weight, dimensions, or some other criteria that will be determined by the state. Export duty is a tax on the goods exported to other countries, while import duty is a tax on the goods coming into a country from other countries.

Excise tax is any duty on manufactured goods which is levied at the moment of manufacture rather than sale. It is typically imposed in addition to an indirect tax such as value added tax. According to Hye and Jalil (2010), excise duties are an ad-valorem tax on the output of manufactured goods and are administered by the country's custom services. Excise duty is designed to discourage the purchase of particular goods such as cigarette, alcohol, and the price of an activity, often gambling.

Budget Implementation

The practice of budgeting, as it is now understood, originated in the central government of Great Britain. Olaoye and Akinla (2019) defined budget as a plan expressed in money terms. It is prepared and approved prior to the budget and may show income, expenditure and the capital to be employed. It may be drawn up showing incremental effects of former budgeted or actual figure, or be compiled by zero-based budgeting. Oke (2013), argued that budgets help to allocate resources, coordinate operations and provide a means for performance measurement. Public sector budget, according to Olurankise (2012) is a prospectus referring to expected future revenue and expenditure activities of the government for the forthcoming period. It is used as an instrument to

allocate public resources toward achieving some public value. Budgets, by definition, have to be prepared in advance and for this reason, they are often referred to in terms of their being part of a feed forward system (Anohene, 2011).

The implementation stage of budgeting appears to be the most important part of budgeting. Budget Implementation is a process of ensuring that the expected revenue and expenditure for a specific period are achieved optimally. This is in line with the submission of Olaoye and Akinola (2019) that budget implementation entails ensuring that both revenue projections and expenditure framework contained in the approved budget document are achieved within the fiscal years. The implementation process of the budget determines the achievement level. However, Obara (2013) noted that budget accomplishment is far from reality and the disparity between budget and accomplishment are so wide and kept on abating as years pass by. Budget performance is considered in two form, capital expenditure and recurrent expenditure.

Theoretical Framework

The Pure Theory of Public Expenditure

This theory of public expenditure was established by an American economist, Professor Samuelson (1954). He was the first American to win a Nobel Prize in economics (Vipin & Sandhya, 2010). Professor Samuelson has worked in a lot of fields which include welfare economics, public finance theory, international and macroeconomics, and consumer theory; he has also been in charge of a lot of associations, and written many works in economics (Vipin & Sandhya, 2010). Observably, this theory of public expenditure seems to be very popular in modern financial and economics writing; it is a vital component of the studies on various theories of public expenditure. This theory of public expenditure completely clarifies the classification of public services and also highlights the detailed structure of the expenditure of these services. In propounding this theory, Samuelson (1954) introduced the concept of public goods. He asserted that the major factor separating a public from a private good is the fact that the using up of a public good by a citizen does not cause any havoc or reduction for other people, that is, after consumption by an individual, it remains unchanged.

Samuelson (1954) observed that public goods have optimistic outcomes, but if created less than necessary, maximum public benefit will be decreased. Observably, at whatever level of government, federal, state or local government, the production and distribution of public goods to increase social benefits involves some sort of budgeting or expenditure. In line with this, public budgeting/expenditure refer to the expenses prepared by the government through her budget. It involves expenses on defense, public welfare and public sector investment and so on. Despite the many clarifications and explanations, this theory was criticized on some areas. Hardin (2003) stated that Samuelson concept on public good was almost impossible to practice, because of the impossibility of exclusion. This is because there is hardly any example of such a good in this world.

This theory highlights the fact that public expenditure is absolutely vital for the creation and distribution of public goods; because of the features of public goods. It can be agreed that the market cannot effectively and efficiently create and distribute such goods, because if they do, the benefit will be minimal. The relevance of this theory to this research is due to the fact that it hightails the relationship of public goods to public expenditure. The theory categorically stated that public goods are supposed to be expenditure under government budgeting, because if the market (which is always full of competition) is to provide such goods, maximum benefit will not be achieved from them.

Methodology

The study adopted ex post facto research design and the population covered all the countries in West Africa, out of which, 5 countries which include Nigeria, Mali, Togo, Carbo Verde, and Ghana were selected through purposive sampling technique. The rationale for the selection of these countries largely depended on the availability of data. While tax revenue was proxied with corporate income tax, value added tax, and custom and excise duties, budget implementation was proxied with total expenditure. The data utilized was gathered from Organization of Economic Co-operation Development (OECD) Revenue Statistics in Africa and World Bank from 2008-2017.

Table 3.1 Measurement of variables and Sources

S/N	Variables	Unit of Measurement	Source(s)
1	Total Expenditure	US dollar	Organization of Economic Co-operation Development (OECD). Revenue Statistics in Africa
2	Corporate Income Tax	US dollar	Organization of Economic Co-operation Development (OECD) Revenue Statistics in Africa
3	Value Added Tax	US dollar	Organization of Economic Co-operation Development (OECD) Revenue Statistics in Africa
4	Custom and Excise Duties	US dollar	Organization of Economic Co-operation Development (OECD). Revenue Statistics in Africa
5	Government Public Debt	US dollar	World Bank

Source: Authors Compilation (2020).

Descriptively, mean, standard deviation, minimum and maximum were used to describe nitty-gritty of the data collected on each variable. Inferentially, pooled OLS estimator, fixed effect OLS estimator, random effect OLS estimator was used. In the same vein, post-estimation tests such as Hausman test, heteroscedasticity Wald test, Cross-Section independence Pesaran test and autocorrelation Wooldrige test were conducted.

The fixed effect follows the form presented below:

$$Y_{it} = a_0 + \beta_1 X_{it} + \delta_i + \mu_{it} \quad \dots\dots\dots (3.1)$$

δ_i is a time varying intercept that captures all the variables that affect Y_{it} that vary over time but are constant cross-sectionally. In substituting the variables under consideration into the fixed effect model, it appeared thus:

$$CEX_{it} = a_0 + \beta_1 CIT_{it} + \beta_2 VAT_{it} + \beta_3 CED_{it} + \beta_4 GPD_{it} + \delta_i + \mu_{it} \quad \dots\dots\dots (3.2)$$

The random effect model follows the forms presented below:

$$Y_{it} = a_0 + \beta_1 X_{it} + W_{it} + (\epsilon_{it} + \mu_{it})$$

Where ϵ_{it} measures the random deviation from the global intercept a , subscript “it” represents the combination of time and individuality. U_{it} means error term. In substituting the variables under consideration into the fixed effect model, it will appear thus:

$$AMS_{it} = a_0 + \beta_1 CIT_{it} + \beta_2 VAT_{it} + \beta_3 CED_{it} + \beta_4 GPD_{it} + (\epsilon_{it} + \mu_{it}) \quad \dots\dots\dots (3.3)$$

It was expected that positive relationship will exist between tax revenue and budget implementation of countries in West Africa. Mathematically, it is expressed with the use of differentiation notations:

$\frac{\partial CEX}{\partial CIT} > 0$ this means that it is expected that there will be a positive relationship between capital expenditure and company income tax.

$\frac{\partial CEX}{\partial CIT} > 0$ this means that it is expected that there will be a positive relationship between capital expenditure

and value added tax.



> 0 this means that it is expected that there will be a positive relationship between capital expenditure and custom and excise duties

Results and Discussion

Results

Table 4.2: Correlation Matrix Results

	TEX	CIT	VAT	CED	GPD
TEX	1				
CIT	0.3151	1			
VAT	0.7837	0.6168	1		
CED	0.8434	0.6873	0.9532	1	
GPD	0.7744	0.779	0.8189	0.9336	1

Source: Data Analysis (2020).

Table 4.2 shows a positive relationship between Total Expenditure (TEX) and all other predictor variables. This can be seen with the coefficients of 0.3151 for Total Expenditure (TEX) and Company Income Tax (CIT), 0.7837 for Total Expenditure (TEX) and Value Added Tax (VAT), 0.8434 for Total Expenditure (TEX) and Custom and Excise Duties (CED), and 0.7744 for Total Expenditure (TEX) and Government Public Debt (GPD). Furthermore, there is a positive relationship between Company Income Tax and Value Added Tax, Custom and Excise Duties, and Government Public Debt (GPD). This can be seen with their respective coefficient of 0.6168, 0.6873 and 0.7679. In addition, the table shows a positive relationship between Value Added Tax and Custom and Excise Duties and Government Public Debt (GPD). This can be seen with the coefficients of 0.9532 and 0.8189 respectively. The table also shows the last relationship, which is positive. It is between Custom and Excise duties and Government Public Debt (GPD). This relationship is depicted by the coefficient of 0.9336.

Analysis of the Effect of Tax Revenue on Budget Implementation

In this section, results of analyses done using Pooled OLS estimator, fixed effect estimator and random effect estimation were presented after which evaluation for consistency and efficiency was done using post estimation test through Hausman test. Emphasis is being place on the most consistent and efficient estimator for discussion and inference.

Pooled OLS Analysis

Table 4.3 Pooled OLS Estimation Result

Series: TEX, CIT, VAT, CED, GPD

C	3.9907	1.2907	2.23	0.023
CIT	3003.005	419.2978	7.08	0.000
VAT	6286.188	5584.39	0.66	0.512
CED	6116.78	2443.55	3.65	0.008
GPD	8487.5	5220.9	1.20	0.191

Source: Data Analysis (2020). R-square=0.6710, Adjusted R-square=0.6595, F-statistics=75.93, Prob (F-stat)=0.00000.

Pooled estimation result presented in table 4.3 reveals that when heterogeneity effect across the West African Countries sampled in the study is not given consideration, CIT, VAT, CED and GPD exert positive impact on total expenditure, though the impact is insignificant for VAT and GPD, given the reported estimates and probability values of VAT and GPD that stood at 6286.188($p=0.512>0.05$) and 8487.5($p=0.091>0.05$) respectively, as against estimates of CIT and CED that stood at 3003.005($p=0.000>0.05$) and 6116.78($p=0.008>0.05$) respectively. R-square statistics reported in table 4.3 showed that about 66% of the

systematic variation in actual total expenditure of some selected countries in West Africa can be jointly explained by CIT, VAT, CED and GPD, while the remaining 34% might be due to other factors not included in this study. The fitness of the model is reflected in the probability of the F-statistics given to be 0.0000

Fixed Effect Estimation

This estimation systematically incorporated the heterogeneity effect across sampled West African Countries into the model to account for the country's uniqueness. This study separately incorporated West African countries' heterogeneity effect and period effect into the model using dummy approach in which each firm and year was assigned an intercept term. Results of the least square dummy variable fixed effect estimations for (cross sectional and period specific) are presented in table 4.4.

Table 4: Fixed Effects Estimates (Cross-sectional and Period specific)

Series: TEX, CIT, VAT, CED, GPD

CROSS-SECTIONAL SPECIFIC EFFECT			TIME SPECIFIC EFFECT		
Variables	Coefficients	Prob	Variables	Coefficients	Prob
C	5.7008	0.0001	C	1.1009	0.645
CIT	2996.479	0.000	CIT	2455.662	0.001
VAT	977.9747	0.920	VAT	5055.548	0.634
CED	5293.62	0.024	CED	9062.23	0.000
GPD	9374.8	0.002	GPD	4954.8	0.328
Effects			Effects		
MALI	7.3708	0.591	2009	2.2809	0.798
TOGO	9.7507	0.942	2010	2.0709	0.131
CABO VERDE	5.1709	0.001	2011	-8.7808	0.497
NIGERIA	5.3209	0.000	2012	-8.0208	0.500
			2013	-6.3608	0.615
			2014	8.9208	0.432
			2015	-3.2609	0.019
			2016	5.4909	0.514
			2017	-1.9809	0.145
R-square=0.5678 F-statistics=63.25 Prob(F-stat)= 0.0000			R-square=0.4604 F-statistics=56.77 Prob(F-stat)= 0.0000		

Source: Data Analysis (2020). Note: *, ** and *** indicate rejection of null hypothesis at 1%, 5% and 10% significance level respectively.

Fixed effect cross-sectional specific estimation result presented in table 4.4 shows that when heterogeneity effect across West African countries sampled in the study is incorporated into the model, both CIT, VAT, CED and GPD exert positive impact on total expenditure, though the positive impact of VAT unlike that of CIT, CED and GPD is not significant. Reported coefficient estimates and probability values for CIT, VAT, CED and GPD stood at 2996.479 ($p=0.0000 < 0.05$), 977.9747 ($p=0.920 > 0.05$), 5293.62 ($p=0.024 > 0.05$) and 9374.8 ($p=0.002 < 0.05$) respectively. R-square value reported for cross-sectional specific estimation presented in table 4.4 stood at 0.5678, which reflects that about 57% of the systematic variation in total expenditure of some selected countries in West Africa can be explained jointly by the explanatory variables.

Result of fixed effect period-specific estimation presented in table 4.4 shows that when heterogeneity effect over time is incorporated into the model as intercept term, both CIT, VAT, CED and GPD exert positive impact on total expenditure, though the positive impact of VAT and GDP unlike that of CIT and CED is not significant. Reported coefficient estimates and probability values for CIT, VAT, CED and GPD stood at 2455.662 ($p=0.001 < 0.05$), 5055.548 ($p=0.634 > 0.05$), 9062.23 ($p=0.000 > 0.05$) and 4954.8 ($p=0.328 > 0.05$) respectively. Reported R-square statistics showed that about 46% of the systematic variation in total expenditure of some

selected countries in West Africa can be explained jointly by CIT, VAT, CED and GPD.

Deviation from the intercept term (5.7008) corresponding to the reference countries stood at 7.3708, 9.7507, 5.1709 and 5.3209 for Mali, Togo, Cabo Verde and Nigeria respectively. Deviation from the intercept term (1.1009) of the reference period stood at 2.2809 for 2009, 2.0709 for 2010, -8.7808 for 2011, -8.0208 for 2012, -6.3608 for 2013, 8.9208 for 2014, -3.2609 for 2015, 5.4909 for 2016 and -1.9809 for 2017.

Random Effect Estimation

Table 4.5: Random Effect Estimation

Series: TEX, CIT, VAT, CED, GPD

Variable	Coefficient	Std. Error	T-Test	Probability
C	12.09000	1.8900	3.03	0.000
CIT	3463.735	411.5662	7.18	0.000
VAT	916.711	505.92	0.86	0.515
CED	6566.8	2478.45	2.88	0.011
GPD	9414.5	5088.91	1.92	0.078

Source: *Data Analysis (2020)*. R-square=0.5710, Wald chi2(5)=303.72, Prob> chi2 =0.0000. Note: *, ** and *** indicate rejection of null hypothesis at 1%, 5% and 10% significance level respectively.

Random effect estimation result presented in table 4.5 revealed that when heterogeneity effect across west African Countries and over time is incorporated into the model via the error term, CIT and CED exert significant positive impact on total expenditure of some selected countries in West Africa, with coefficient and probability values of 3463.735($p=0.000<0.05$) for CIT and 6566.8($p=0.011<0.05$) for CED. The table also reveals that VAT and GPD exert insignificant positive impact on total expenditure of some selected countries in West Africa to the tune of 916.711 ($p=0.515>0.05$) and 9414.5 ($p=0.078>0.05$) respectively. Reported R-square for random effect estimation presented in table 4.5 stood at 0.5710 which implies that about 57% of the systematic variation in total expenditure can be explained by CIT, VAT, CED and GPD of the sampled West Africa countries.

Post Estimation Test

Table 4.6. Hausman Test

Null hypothesis	Chi-square stat	Probability
Difference in coefficient not systematic	1.17	0.8835

Source: *Author's Computation, (2020)*

Table 4.6 reported chi-square statistic of 1.17 and probability value of 0.8835. The result reveals that there is not enough evidence to reject the null hypothesis that differences in coefficients of fixed effect estimation and random effect estimation is not significant. Therefore, the most consistent and efficient estimation is given by the random effect estimation as presented in table 4.5. It thus become evident that the estimation that best explain tax revenue and budget implementation in some selected West African countries, as measured in terms of total expenditure is the random effect estimation presented in table 5, which revealed that CIT and CED exert significant positive impact on total expenditure of some selected countries in West Africa, with coefficient and probability values of 3463.735($p=0.000<0.05$) for CIT and 6566.8($p=0.011<0.05$) for CED. The table also reveals that VAT and GPD exert insignificant positive impact on total expenditure of some selected countries in West Africa to the tune of 916.711 ($p=0.515>0.05$) and 9414.5 ($p=0.078>0.05$) respectively.

Table 4.7: Other Post Estimation Test

<i>Wald test</i>		
<i>Panel homoscedasticity</i>	<i>1.0913</i>	<i>0.0905</i>
<i>Pesaran test</i>		
<i>No cross sectional dependence</i>	<i>3.1167</i>	<i>0.4468</i>
<i>Wooldridge test</i>		
<i>No panel autocorrelation</i>	<i>0.6359</i>	<i>0.5934</i>

Source: Data Analysis (2020)

Result presented in table 4.7 shows that there is no evidence to reject null hypothesis on panel homoscedasticity, null hypothesis of no cross-sectional dependence and null hypothesis of no panel autocorrelation, given the reported probability statistics of $0.0905 > 0.05$ for Wald test, $0.4468 > 0.05$ for Pesaran test, and $0.5934 > 0.05$ for Wooldridge test. Hence it can be established in the study that assumptions of equal variance of residual terms, cross sectional independence and absence of serial autocorrelation for the estimated panel based model are valid.

Discussion of Findings

An attempt has been made to examine tax revenue and budget implementation in some selected West African countries. The discussion of this study is based on random effect model estimation result since the regression analysis is not valid based on the order of integration of the variables under study that gives room for Hausman test. It was discovered that corporate profit tax has a positive and significant effect on total expenditure of some selected countries in West Africa to the tune of 3463.735 ($p=0.000 < 0.05$). This implies that a 1% increase in corporate profit tax has the potency to significantly improve the total expenditure of countries in West Africa by \$3463.735 million. This could be attributed to the efficiency of the government to generate corporate tax from liable companies and judiciously expend it on pressing needs of the country. The corollary of this discovery is that total expenditure could be stimulated through corporate income tax in West African states. The finding gave credence to the submission of Alade, Olaoye and Ojo (2019) and Osho, Olemija and Falade (2019) that revenue has a positive and significant effect on government expenditure, total, and recurrent expenditures.

Another discovery made is that value added tax exerts a positive but insignificant effect on total expenditure of some selected countries in West Africa to the tune of 916.711 ($p=0.512 > 0.05$). This implies that a 1% increase in value added tax would engender \$916.711 million increase in total expenditure of some selected countries in West Africa insignificantly. This could be explained by the inefficiency of the governments of the sampled countries to resourcefully utilize tax revenue in terms of value added tax to improve economic activities. The finding negates the submission of Alade, Olaoye and Ojo (2019) that revenue has a positive and significant effect on government expenditure, total, and recurrent expenditures.

It was equally discovered that custom and excise duties have a positive and significant effect on total expenditure of some selected countries in West Africa to the tune of 6566.8 ($p=0.008 < 0.05$). This implies that a 1% increase in custom and excise duties would engender \$6116 million increase in total expenditure of some selected countries in West Africa. This could be attributed to the policies of the governments of countries in West African to improve revenue generation from custom and excise duties and the establishment of control system to ensure judicious utilization of tax revenue to improve the overall economic condition of the country. The corollary of this discovery is that total expenditure could be stimulated through custom and excise duties in West African states. This finding supports the findings of Adedokun (2018) and Nazim (2016). The scholars discovered in their studies that decrease in government revenue would breed decrease in government expenditure and that

government spending could only increase, when revenue generated increase.

Conclusions

Through the analysis carried out, it was discovered that both corporate profit tax and custom and excise duties significant and positively impacted capital expenditure in West Africa. In the same vein, it was concluded that value added tax has no capacity to significantly increase total expenditure in West African Countries. Premise on the findings made, it was concluded that increase in revenue generation without appropriate mechanisms through which the revenue will be productively utilized will render the revenue unproductive. Hence, the government of West Africa countries are urged to work out modalities, such as adequate supervision and internal control mechanism, that will ensure that revenues are utilized as expected. Efforts should be intensified by the government agencies saddled with the collection of value added tax to significantly improve the generation of value added tax.

Recommendations

It is recommended that the improvement on all non-oil revenue witnessed in the west African countries should sustained by putting in placed modalities such as, good welfare package, proper supervision, employment of capable hands with sound tax knowledge, blocking of loopholes and intermittent training of staffs to give room for higher effectiveness and efficiency.

Suggestion for Further Studies

The study is limited to three forms of taxes hence; similar study could look into other form of taxes not used in this study. Consequently, the period covered is relatively small hence, similar study could be conducted with a longer period.

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MEDIATING EFFECT OF ENTREPRENEURIAL SKILLS ON THE RELATIONSHIP BETWEEN MICROFINANCE INTERVENTIONS AND PERFORMANCE OF WOMEN-OWNED ENTERPRISES IN NORTH EASTERN NIGERIA

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Abstract

The purpose of this research is to develop a conceptual framework that explains the importance and influence of Entrepreneurial Skills, Microfinance Interventions and Women-Owned Enterprises in North Eastern Nigeria on achieving a better Performance of Women-Owned Enterprises. It reviewed the extant literature regarding the roles of training programme, advisory services, monitoring, business network meetings, information technology and entrepreneurial skills in enhancing Performance of Women-Owned Enterprises. The study is supported by human capital theory, since training programme, advisory services, monitoring, business network meetings, information technology and entrepreneurial skills are viewed as resources of the Women-Owned Enterprises capable of generating and improving Performance of Women-Owned Enterprises. Previous researches have given less research interest and attention on the effect of training programme, advisory services, monitoring, business network meetings, information technology and entrepreneurial skills in enhancing Performance of Women-Owned Enterprises especially in developing countries like Nigeria. Therefore, this study fills the gaps in the literature by providing a basis on which this framework can be empirically tested in real life situation.

Keywords:

Entrepreneurial Skills,
Microfinance Interventions,
Performance, Women-
Owned Enterprises, North
Eastern Nigeria.

1. Introduction

Entrepreneurship entails creating something new, or discovering new ways of marshalling something that already exists. Entrepreneurship is considered to be a key factor to development and growth. Global Entrepreneurship Monitor GEM (2018) in its Annual Report mentioned that an important global trend that has been observed during the last few decades is that of entrepreneurship activities which continues to grow all over the world. Many countries have successfully strengthened and transformed the entrepreneurship sub-sector into a dynamic and thriving industry. This transformation has significantly reduced unemployment levels due to the substantial contributions of the sub-sector (Newo, 2023). Entrepreneurship is strongly linked to performance of enterprises, which are the main developing force of the developed market economies and likewise provides the spring board for industrial development and economic growth.

In other words, entrepreneurs are instrumental to social development in many economies across the world

(Zarrouk, 2020). They contribute to the social aspects through the provision of new jobs, wealth creation, raising income, and the ability to interact with the bigger international market (Machuca, 2023). For example, in China, entrepreneurs constitute the main drivers for growth through generating new jobs, provision of consumer goods, and facilitating the distribution of new technological innovation world-wide (Cowden et. al, 2024).

Importantly, the number of women-owned enterprises has been on the increase. However, studies reveal that women-owned enterprises tend to have smaller size compared to the male counterpart (Gaweł and Dąbrowska, (2021). The increasing number of women-owned enterprises is not attributed to their desire to be economically independent. But this may be influenced also by other factors such as social structures and family factors. They are inclined to start a business in service industries, usually in low capital investment. In other words, negative attitude is among situations that have influenced women entrepreneurial start up.

In Nigeria, women are central to the informal sector, which forms the backbone of the economy. As Africa's largest economy, Nigeria has made strides in promoting women's entrepreneurship, primarily through microfinance initiatives aimed at enhancing financial inclusion and poverty alleviation.

According to Omolekan, & Alli, (2020), Nigerian women have tremendous capacity as human resources and in conventional society, women in a bid to support their families have been indirectly or directly involved in entrepreneurship either through farming, fishing, weaving textiles, processing farm products and trading in the markets, thereby contributing to economic growth. Aliyu, (2020) noted that Nigerian women have been engaged in entrepreneurial activities for many decades, but their contributions have consistently gone unacknowledged. They have exchanged products both in their local communities and surrounding markets. And more often than not, family survival has often depended on a woman's enterprising ability (Aliyu, 2020).

Irrespective of women's perseverance in entrepreneurship, there have been a number of factors impeding their success. Essien, (2021) stated that, like their male counterparts, women in small businesses experience business breakdown because of the shortcomings influencing business performance, which are: inadequate financial resources, poor location, insufficient management experience and lack of entrepreneurial skill. As stated by Alaka et al. (2023), the performance of women-owned MSEs has been persistently influenced by numerous factors like; education level, business experience, marketing factors, cultural factors, motivational factors, and institutional factors-even a significant number of women's interest in business show some escalation in Nigeria, but their success is still insignificant.

Women entrepreneurs in developing nations are facing numerous entrepreneurial discriminations were they are been treated as inferior to their men counterpart, and there is negative societal disposition towards women and their business that put them at disadvantage (Bridget & Ogechukwu, 2022; 'Anselme & Qamruzzaman, 2022). This resulted to lower percentage of women entrepreneurs that into entrepreneurial activities compared to men entrepreneurs (Elam, Brush, Greene, & Baumer, 2019). According to Bridget and Ogechukwu, (2022) women entrepreneurs are not equal to men entrepreneurs for the reasons that women entrepreneurs are facing numerous challenges and problems which include insufficient experience and skill training, inadequate business support, problem associated with advisory services, monitoring, business network meetings, information technology, inadequate of microfinance institutional support and many others ones.

Similarly, according to George, (2018) cited in Bridget and Ogechukwu, (2022) Women entrepreneurs frequently are facing gender associated limitation at the time establishing businesses, expanding existing business, advisory services, monitoring and business network, entrepreneurial skills and access to credit

facilities, skill training and business support. Hence, these problems affect their performance negatively (Ojo, Anitsal, & Anitsal, 2019; Panda, 2018). Similarly, it has been estimated that about 40% of Nigerian women entrepreneurs are facing numerous challenges, nonetheless many of them are necessity women entrepreneurs that cannot explore opportunity entrepreneurship (Khursheed, 2022; Olarewaju, 2019).

Furthermore, even though Nigeria continue to witness increasing number of women entrepreneurs owing to swift outpouring of entrepreneurial opportunities, nevertheless, the problems and challenges facing women entrepreneurs is far discouraging that retard and deter many women entrepreneurs from establishing business enterprises (Bridget & Ogechukwu, 2022; Nwachukwu, Fadeyi, Paul, & Minh, 2021). In addition, Srividhya and Paramasivam, (2022) expounded various problems facing women entrepreneurs which include lack of knowledge, lack of skills, business network, lack of access to credit and training as hindrances which affect the women entrepreneurs negatively.

Lack or insufficient Training, and information technology has been documented as one of the greatest impediments to the growth and performance of women enterprises Boateng and Poku, 2019 and Bridget and Ogechukwu, (2022) expounded that access to credit or finance is huge problem for women entrepreneurs in Nigeria. They added that Women entrepreneurs in Nigeria are suffering from lack or inadequate fund and limited resources to start, manage and expand their businesses. —Akanmu, Clement, and Samaila, 2018 and Ayatakshi-Endow and Steele, (2021) identified that that inadequate access to finance, inadequate access to raw materials, maladministration, deficient market information, and a lack of sound coordination are among the problems and challenges facing in women entrepreneurs developing entrepreneurial activities.

According to –Shkodra, Ymeri, and Ibishi, (2021), and –Ferdousi (2020) the foremost associated barriers to women entrepreneurs for starting enterprises are lack of capital, lack entrepreneurial skills, lack of management skills, work–life interface conflict, poor networking, poor educational background, inadequate training, , inadequate monitoring, low financing and capital-base, raw materials accessing, and high costs of obtaining the raw materials. Likewise, According to Edona (2015) as cited in Bridget and Ogechukwu, (2022) many women entrepreneurs do not have the professional training required to prosper in their entrepreneurial activities. Similarly, according Bridget and Ogechukwu, (2022) and (Olarewaju, (2019) women entrepreneurs in Nigeria are suffering from poor level of education and training to startup their businesses.

Therefore, this study aims to fill these gaps in the literature and to contribute to the existing body of knowledge by developing a new mediated model direct/indirect conceptual framework to enhance the effectiveness of microfinance services in improving women entrepreneurs' business performance. Thus, the study would make significant empirical contribution to the existing body of knowledge on entrepreneurship, microfinance, and women-owned enterprises. It fills a critical gap in the literature, particularly in the context of North Eastern Nigeria, where research on the intersection of microfinance interventions, entrepreneurial skills, and women-owned enterprises is limited. The findings will serve as a valuable resource for researchers, scholars, and academicians, providing a foundation for further empirical studies and contributing to the global discourse on women's entrepreneurship.

The general aim of this study is to examine the mediating effect of entrepreneurial skills on the relationship between microfinance bank interventions and the performance of women-owned enterprises in North Eastern Nigeria. The specific objectives are to: examine the effect of training programmes on the performance of women-owned enterprises. assess the effect of advisory services on the performance of women-owned enterprises.

examine the effect of monitoring on the performance of women-owned enterprises. assess the effect of business network meetings on the performance of women-owned enterprises. examine the effect of information technology on the performance of women-owned enterprises.

2. Literature Review

Women Entrepreneurs

Women entrepreneurship is a concept that refers to the involvement of women in establishing and running businesses. This can range from small-scale enterprises to large organizations, with women taking on the roles of business owners, managers, or decision-makers. Women entrepreneurs are often viewed as critical drivers of economic development, particularly in regions where gender inequality has limited women's access to traditional economic opportunities. In many societies, entrepreneurship provides a pathway for women to achieve financial independence, enhance their social standing, and contribute meaningfully to their families and communities (Abass, 2019).

2.1 Training Programmes

Training programmes play a pivotal role in equipping women entrepreneurs with the skills and knowledge required to manage their businesses effectively. According to Chiloane-Tsoka (2022), training enhances technical and managerial capabilities, allowing women to navigate market challenges and seize business opportunities. In North Eastern Nigeria, where many women lack formal business education, training programmes provide the foundational tools for financial literacy, marketing, and inventory management. These programmes empower women to make informed decisions, thereby improving enterprise performance.

Additionally, training programmes foster innovation and adaptability among women entrepreneurs. Adebayo and Ahmed (2021) emphasized that skill development initiatives enable entrepreneurs to adopt new technologies and improve service delivery. For instance, women trained in digital marketing and online sales platforms often achieve higher customer outreach and revenue generation. This is particularly important in regions like North Eastern Nigeria, where market access is limited due to insecurity and poor infrastructure.

Moreover, training enhances confidence and self-efficacy, which are critical for business success. According to McKenzie and Woodruff (2020), entrepreneurs who participate in training programmes are more likely to take calculated risks and explore new business ventures. In the context of North Eastern Nigeria, such programmes reduce the gender gap in entrepreneurial activities by addressing cultural and educational barriers that hinder women's economic participation.

However, the effectiveness of training programmes depends on their relevance and accessibility. Amadi and Uchenna (2022) noted that programmes tailored to the specific needs of women entrepreneurs are more impactful. For example, training in agribusiness and value chain management is particularly beneficial in agricultural communities. Policymakers and microfinance banks must design targeted interventions to maximize the impact of training on enterprise performance. Lastly, the sustainability of training outcomes requires continuous learning and mentorship. Without follow-up support, the skills acquired may not translate into long-term business success. This underscores the need for integrating training programmes with advisory services, monitoring, and networking opportunities for women entrepreneurs in the region.

Adebayo and Ogundele (2021) in their research on Entrepreneurial training and its impact on the Performance of Women-Owned Enterprises in Nigeria. Their study was driven by the need to understand the specific challenges faced by women entrepreneurs and how training could help mitigate those challenges. The study found that

women who participated in entrepreneurial training programmes experienced an increase in business profitability, better decision-making capabilities, and improved leadership skills. The research also pointed out the necessity for the training programmes to be tailored to the unique needs of women, particularly those related to balancing family responsibilities with business.

Zainab (2023) conducted a study titled *The Impact of Training Programmes on the Performance of Women-Owned Enterprises in Nigeria*. The findings revealed that women-owned businesses that participated in training programmes showed significant improvements in their business performance, including increased profitability and better financial management skills. However, the research also indicated that the lack of continuous support after training and the socio-cultural barriers faced by women limited the full potential of the programmes. Therefore, it is hypothesised in this study that:

2.2 Advisory Services

Microfinance banks play a crucial role in providing **advisory services** to women-owned enterprises, offering tailored guidance to help them grow and navigate challenges in the business environment. These services often cover a broad spectrum, including financial management, marketing strategies, legal considerations, and business planning. The advisory support provided helps women entrepreneurs understand the best practices for managing their businesses, enabling them to make informed decisions, streamline operations, and effectively allocate resources. This type of personalized guidance can significantly reduce the risks associated with entrepreneurship, especially for women who may face additional barriers such as limited access to capital or networks. By empowering women with the knowledge and skills needed to overcome these barriers, advisory services foster confidence and sustainable growth in women-owned businesses.

Advisory services provide women entrepreneurs with expert guidance and support, which are critical for business success. According to Kiggundu and Omotayo (2021), advisory services include mentorship, financial planning, market analysis, and business strategy development. For women in North Eastern Nigeria, these services are particularly valuable due to the limited access to professional networks and business consultants in the region. Effective advisory services help women entrepreneurs identify opportunities and mitigate risks. Zakari (2020) found that regular consultations with business advisors improve decision-making and resource allocation. For example, advisory services can guide women-owned enterprises in diversifying product lines or entering new markets. This strategic guidance enhances their competitiveness and resilience.

Furthermore, advisory services facilitate compliance with regulatory requirements. In Nigeria, many small businesses struggle with tax regulations and licensing due to inadequate knowledge. Aliyu and Hassan (2022) noted that women entrepreneurs who receive advisory support are more likely to comply with business laws, which reduces the risk of penalties and enhances their legitimacy. Advisory services also foster innovation by exposing entrepreneurs to best practices and emerging trends. For instance, advisors can recommend digital tools and technologies to streamline operations. Nwosu and Adebayo (2021) argued that such interventions are crucial for modernizing women-owned enterprises, especially in regions where traditional business practices dominate.

However, the availability and affordability of advisory services remain a challenge. Many women in North Eastern Nigeria cannot afford professional consultants, limiting their access to quality advice. Policymakers and microfinance banks must bridge this gap by subsidizing advisory services and incorporating them into broader entrepreneurial support programmes. In a study conducted by Olufunmilayo (2021) titled *The Impact of*

Business Advisory Services on the Performance of Women-Owned Enterprises in Nigeria, the research sought to evaluate the role of advisory services in improving business practices and outcomes for women entrepreneurs in Nigeria. Using a case study approach, the research focused on small and medium-sized enterprises (SMEs) owned by women in Lagos State. The findings revealed a positive correlation between the use of advisory services and improved business performance in areas such as profitability, operational efficiency, and market competitiveness. Therefore, it is hypothesized in this study that:

2.3 Monitoring

Monitoring is another essential service offered by microfinance banks to women-owned enterprises, ensuring that loans and financial resources are utilized efficiently and effectively. Microfinance institutions regularly monitor the progress of businesses by assessing their financial health, tracking the repayment of loans, and providing assistance if financial difficulties arise. Through regular check-ins and assessments, microfinance banks can identify any operational or financial issues early, offering advice and interventions to correct problems before they escalate. This continuous support helps to ensure that women entrepreneurs remain on track with their business objectives and can make adjustments as necessary. Monitoring also promotes accountability, ensuring that funds are used for their intended purposes, which ultimately leads to better outcomes for both the entrepreneurs and the financial institutions.

Among the key benefit of monitoring is improved financial management. Akinwale and Oduwale (2021) found that businesses with regular monitoring are less likely to experience cash flow problems. For example, monitoring can identify overspending or under-pricing issues, enabling entrepreneurs to make timely adjustments.

Women entrepreneurs who receive monitoring support often report better financial stability and profitability. Monitoring also promotes adherence to business plans and targets. According to Ahmed and Musa (2020), many women-owned enterprises struggle with goal setting and execution. Monitoring interventions by microfinance banks or advisory teams help entrepreneurs stay focused and measure progress against defined objectives. This structured approach enhances productivity and efficiency. Moreover, monitoring fosters a culture of continuous improvement. Regular evaluations highlight weaknesses in business operations, encouraging entrepreneurs to seek solutions. For instance, feedback from monitoring sessions can lead to better customer service or inventory management practices.

Amadi and Chika (2022) emphasized that monitoring is a learning process that drives innovation and growth. Olabisi (2022) conducted a study titled *The Effect of Monitoring on the Performance of Women-Owned Enterprises in Nigeria: A Case Study of Lagos State*. The research aimed to assess how monitoring practices, including financial oversight, performance reviews, and managerial evaluations, influenced the performance of women-owned businesses in Lagos, Nigeria. The study found that monitoring practices had a positive and significant impact on business performance. Women entrepreneurs who implemented regular financial monitoring, performance assessments and strategic reviews showed higher profitability, improved business decision-making, and better ability to manage risks. However, the research also found that many women entrepreneurs lacked the knowledge or resources to establish effective monitoring systems, which limited their ability to fully leverage the benefits of monitoring. Therefore, it is hypothesized in this study that:

2.4 Business Network Meetings

Microfinance banks also facilitate **business network meetings**, which are invaluable for women entrepreneurs seeking to expand their businesses and connect with other entrepreneurs. These meetings provide women with a platform to network, exchange ideas, and share experiences with peers who face similar challenges. Business network meetings often include workshops, panel discussions, and expert-led sessions that equip women with new skills, insights into industry trends, and the latest business practices. These gatherings not only create a sense of community among women entrepreneurs but also help them build professional networks that can lead to collaborations, partnerships, and new business opportunities.

Business network meetings organized by microfinance banks play an important role in enhancing the performance of women-owned enterprises. These meetings provide a platform for female entrepreneurs to interact with peers, financial institutions, and other stakeholders. Through networking, women entrepreneurs can share experiences, gain insights into market trends, and learn new skills that directly contribute to their business growth (Abass, 2019). Microfinance banks, by organizing these network meetings, not only foster a sense of community among women business owners but also help them expand their market reach and access necessary resources. This collaborative environment enables women to develop strategic partnerships, which can lead to increased business opportunities and profitability (Aliyu, 2020). As women entrepreneurs engage in these networks, they gain access to vital financial advice, business strategies, and potential markets that otherwise might not be available to them, especially in rural areas where such opportunities are often limited (Akpera & Diaka, 2024). The success of women-owned businesses in these settings is often a result of the shared knowledge and support that women receive, which helps them to overcome the unique challenges they face in the business world.

The impact of business network meetings organized by microfinance banks extends beyond knowledge sharing to the practical aspects of business performance. These events help in enhancing the leadership and management skills of women entrepreneurs, which directly impacts their business operations. For instance, women entrepreneurs often face challenges in managing finances, scaling up operations, and navigating regulatory landscapes. Business network meetings provide them with access to experts who offer valuable guidance on overcoming these hurdles (Shamaki, Ibrahim, & Philemon, 2022).

Furthermore, the exposure to industry trends and technological advancements shared in these meetings allows women to adapt their business models to remain competitive in an ever-changing market (Sajuyigbe, Eniola, Adebajji, & Oladejo, 2021). As women build connections through these networks, they can also increase their access to credit facilities, which is crucial for business expansion (Galadanchi & Alkali, 2023). Thus, the performance of women-owned enterprises can significantly improve as these network meetings empower women with both the knowledge and resources they need to thrive in their respective industries. The role of microfinance banks in facilitating these interactions cannot be overstated, as they serve as a crucial support system for the development of women entrepreneurs (Jane, Gambo, Enesi, & Abubakar, 2024).

Akinyemi and Alaba, (2020), examined the impact of business networking on the performance of women entrepreneurs in Nigeria. The findings showed that women entrepreneurs who regularly participated in business networking meetings reported significant improvements in business profitability, access to resources, and market expansion. The study further revealed that networks facilitated knowledge sharing, enhanced visibility, and provided access to capital.

Musa, and Oladipo, (2019), carried out a study on the role of business networks in the performance of women entrepreneurs in Abuja, Nigeria. The results indicated that women entrepreneurs who engaged in networking meetings enjoyed better financial outcomes, improved market share, and stronger collaborations with suppliers and customers. Furthermore, the study found that networking played a key role in promoting knowledge exchange and fostering partnerships, which led to better business decisions. Therefore, it is hypothesised in this study that:

2.5 Information Technology

The adoption of Information and Communication Technology (ICT) by women-owned enterprises, facilitated by microfinance banks, plays a pivotal role in enhancing business performance. Microfinance banks are increasingly promoting ICT adoption as part of their support services, recognizing its potential to streamline operations, increase efficiency, and improve the market reach of women entrepreneurs. For women in developing economies, ICT serves as a powerful tool to access information, conduct financial transactions, and expand their customer base. Adewale and Adeyemo (2024) emphasize that ICT adoption provides women entrepreneurs with the ability to compete in the digital economy, thus fostering growth. The introduction of ICT by microfinance institutions enables women to move beyond traditional brick-and-mortar businesses, embracing e-commerce platforms and digital marketing tools that are essential for scaling their operations. Bello (2022) notes that, by integrating technology into business processes, women can reduce operational costs, increase their productivity, and access financial services more efficiently. This digital shift enables women to connect with wider markets, build stronger customer relationships, and enhance their overall business performance.

In addition to the improved operational efficiencies, ICT adoption provides women entrepreneurs with the necessary skills to navigate the complexities of modern business environments. For many women, the challenge lies not just in the availability of technology but in acquiring the requisite skills to leverage it effectively. Microfinance banks facilitate ICT adoption through training programmes and workshops that empower women with the knowledge to utilize digital tools. Chinelo and Ayodeji (2022) argue that ICT training boosts confidence among women entrepreneurs and prepares them to handle diverse business challenges. Furthermore, the access to business management software and financial tracking systems improves decision-making processes, enabling women to make informed choices that enhance profitability.

As noted by Fadeyi, Omojeso, and Ityokumbul (2021), these technologies help women optimize resources, track inventory, manage finances, and plan strategically for growth. As a result, women-owned enterprises that adopt ICT experience increased financial inclusion, better service delivery, and stronger competitive positioning in their respective markets. Thus, microfinance banks play a crucial role in bridging the digital divide for women entrepreneurs, ensuring they remain competitive in an increasingly technological business landscape.

Adamu (2021), carried out a study on the impact of information technology on the performance of women-owned enterprises in Nigeria: A Case Study of Kano State. The findings revealed that the use of IT significantly enhanced operational efficiency, reduced costs, and improved customer engagement. Women who adopted IT were able to expand their market reach, access new customers through digital platforms, and manage their financials more effectively. Olawale (2019), examined the effect of information technology on the growth and performance of women-owned businesses in Ibadan, Nigeria. The study found that IT adoption contributed positively to business growth, particularly through the use of digital marketing tools and online sales platforms,

which expanded market access and visibility. The research further revealed that IT facilitated better management of business resources, leading to higher profitability. Therefore, it is hypothesised in this study that:

2.6 Entrepreneurial Skills as a Mediator

Entrepreneurship skills refer to the knowledge, abilities, and competencies that enable individuals to identify opportunities, create value, and manage business ventures effectively. According to Mitchelmore and Rowley (2020), entrepreneurship skills encompass a broad range of personal and professional attributes, including innovative thinking, risk management, and strategic decision-making. These skills are fundamental for entrepreneurs to navigate competitive business environments and to adapt to emerging market trends. They argued that the development of entrepreneurship skills is critical in fostering economic growth and driving innovation in both developed and developing economies. It is therefore, hypothesised that:

2.7. Human Capital Theory

The human capital theory was advanced by Becker (1962) and Rosen (1976). The theory is emphasising that individuals who hold numerous skills and abilities that could be employed to improve human capital and performance of women owned enterprises. According to Chebet (2015), “human capital of women owned enterprises include an individual's knowledge, capabilities, skills, and experience of women entrepreneurs that are relevant to the tasks implementation in women owned enterprises. The human capital theory suggested that investing in education, training, and skills acquisition could enhance women entrepreneurs' productivity, earnings and performance.

This theory postulated that human capital development is a significant driver of economic growth and development. According to the theory, women entrepreneurs who acquire technical and entrepreneurial skills and other resources are better equipped to create and manage successful enterprise, which in turn contributes to the growth and development of the economy.

Therefore, According to Fix (2021) performance of women owned enterprises can boost and ensure going concern of profits by investing in human capital through education and training of women entrepreneurs. In the context of this study, the human capital theory implies that women entrepreneurs who acquire entrepreneurial skills, training, advisory services, monitoring of enterprises, attending business network meetings and possess high knowledge of information technology are more likely to successfully manage their enterprises, which will contribute to better performance of women owned enterprises. Hence, human capital theory are providing a theoretical underpinning for the study in understanding the significance of entrepreneurial skills, training, advisory services, monitoring of enterprises, attending business network meetings and possess high knowledge of information technology for achieving better performance of women owned enterprises.

3. Methods

The population of this study consists of 1,262 women-owned enterprises across the six states of North Eastern Nigeria that have benefited from microfinance bank interventions. These enterprises represent diverse sectors of the local economy, and the data was sourced directly from the respective microfinance banks. Specifically, 60 women entrepreneurs were identified from Borno State Microfinance Bank, while an additional 70 were recorded from Unimaid Microfinance Bank, also in Borno State. 23 women were recorded the beneficiaries of Yobe Microfinance Bank. In Taraba State, Jen Microfinance Bank supported 402 women-owned businesses. Gombe State had the highest representation, with 456 women benefiting from Bubayaro Microfinance Bank, followed by Adamawa State, where 238 women were supported by Standard Microfinance Bank Yola. Bauchi

State had the smallest contribution, with 13 women listed from ATBU Microfinance Bank. This total population provides a comprehensive base for the current study.

Table 3.5.1 Sampling Frame

Microfinance Institutions	State	Population	Sample Size	Percentage
Borno Microfinance Bank	Borno	60	19	04
Unimaid Microfinance Bank	Borno	70	22	06
Yobe Microfinance Bank	Yobe	23	07	02
Jen Microfinance Bank	Taraba	402	126	32
Bubayaro Microfinance Bank	Gombe	456	143	36
Standard Microfinance Bank	Adamawa	238	74	19
ATBU Microfinance Bank	Bauchi	13	04	01
Total		1,262	395	100

Source: Microfinance Banks, 2024

Source: Microfinance Banks, 2024

3.1 Method of Data Collection

The procedure for questionnaire administration and collection was carefully structured to ensure efficiency and reliability. Trained research assistants were dispatched to the six states in North Eastern Nigeria, where they engaged with the sampled women entrepreneurs at prearranged venues, facilitated by the microfinance banks. Each respondent was given the questionnaire, and where necessary, the assistants were provided guidance by explaining the questions in the local language or clarifying terms to ensure accurate responses. The questionnaires were administered in person to maintain a high response rate and address any immediate concerns or doubts raised by the participants. Respondents were encouraged to complete the questionnaires on the spot, but for those unable to do so immediately, arrangements were made for collection at a later time. Completed questionnaires were thoroughly checked by the research assistants for completeness and consistency before submission to the research team. This hands-on approach was to minimize errors, enhance response rates, and ensure the collection of high-quality data.

3.2 Conclusion

This paper has provided a conceptual framework that could be useful in fostering SMEs performance. Extant literature on these issues mostly focusses on a limited number of constructs, which may obscure the complexity of the bigger conceptual framework. The contribution of this framework is in providing a larger picture of the constructs and more, the inconclusive role of mediating role of entrepreneurial skills, microfinance intervention and SMEs performance, which has been debated in extant literature in the past several decades may be better understood based on the complexity of mediating variable in his study. Several potentials exist to improve the conceptual framework and to further elaborate the roles of each of the variable in the conceptual framework. First, some of the relationships between variables of this conceptual framework may not always linear. Different trend and degree of relationships have been reported in the literature for some of the variables. The plan for further study is to empirical tests.

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MEDIATING EFFECT OF LEADERSHIP BEHAVIOR ON ENTREPRENEURIAL ORIENTATION AND SMALL AND MEDIUM ENTERPRISES PERFORMANCE: A CONCEPTUAL REVIEW

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Abstract

The objective of this study is to provide a conceptual framework that examines the relationship between leadership behaviour, dimensions of entrepreneurial orientation and performance of SMEs in order to proffer measures for achieving improved performance of SMEs. This study contributes to existing body of knowledge by providing a framework for ascertaining the possible mediating role of leadership behaviour on performance of typical SMEs. Furthermore, this study elucidates on theoretical contributions for accentuating facts of the mediating influence of leadership behaviour on dimensions of entrepreneurial orientation and SMEs performance.

Keywords:

Leadership Behavior,
Entrepreneurial
Orientation, Small and
Medium Enterprises,
Performance.

1. Introduction

Small and Medium Enterprises impacts overall economic activities which can greatly support sustainable economic growth and development of both develop and developing countries. It serves as engine room of socio-economic transformation and industrialisation of economies around the world. It provides a key platform for enhancing technical, technological, and entrepreneurial abilities among entrepreneurs. In addition, it help to create jobs, wealth, and redistribute income within the societies (Smedan, 2021). SMEs is a significant measure of an economy's overall performance, as it is responsible for analysing an enterprise actual result as measured against planned output and its goals (Shettima, 2018). SMEs make a major contribution to the country GDP and also significantly contribute to the foreign earning through export and develop human resource (Shakeel, Yaokuang, & Gohar, 2020).

Globally, SMEs Performance contributed significantly to the economic growth and it account for about 90% of enterprises and more than 50% of jobs (Anggraeny, Subiyanto, & Septyarini, 2023; Pulka, Ramli, & Mohamad, 2021). It also earned almost 40% of domestic income globally, it have critically contributed to the emerging economy in terms of employment creation, poverty reduction, income creation, support of major industries innovation, entrepreneurship promotion and rapid industrialisation (Albassami, 2019). In United State, in 2020, 317 million SMEs were registered representing 99% of all business in the country and from 1995-2020 the number of SMEs employees increased by 17.2%, reaching 61.7 million individual (European Annual report,

2021). Similarly, in Europe, 22.8 million registered SMEs are operating, out of which 83 million jobs were created and 65% of employees. The high importance is also rooted in German economy, where in 2020 nearly 2.5 million companies making 99.4% and thus about 29.4 million employees of which 55% of all are represented in SMEs (European Commission, 2022).

In Africa, SMEs performance has contributed to job creation, poverty reduction, economic growth and gross domestic products GDP. However, Kaberia and Muathe (2021), state that SMEs in Ghana contribute about 70% to GDP, which represent 85% of business and its progress have often been influenced by factors such as access to fund for expansion, access to model technology, ability to creative to produce unique products and commanding competitors. SMEs contribution to the Nigerian economy demonstrates that it is a critical back born for growth and development. Nigeria's 73,081 registered SMEs employ 2,889,714 people, it has risen the level of employment to about 82.02% of the total work force, representing 96% of businesses in the nation and including their owners, and contribute 49,78% to the country's GDP. Hence, it contributes to poverty eradication and income production which are unique benefits of SMEs that are generally recognized by professionals (SMEDAN & NBS, 2020).

Therefore, because of the important of the SMEs performance, the Nigerian government has also established policy-oriented organizations to provide technical and financial support to SMEs, such as the Small and Medium Enterprises Equity Investment Scheme (SMEEIS). NEDEP (National Enterprises Development Program) was also introduced. Other efforts include the establishment of MSME, Small and Medium Enterprise Development of Nigeria SMEDAN, National and State Councils, Youth Enterprise with Innovation in Nigeria (YouWiN), the amended National MSMEs policy, and other finance access provided by the Central Bank of Nigeria and other development banks. These programs, agencies and policies by government seems to have increase performance of SMEs through profitability, high sales, market share, customer satisfaction, employee loyalty, productivity and efficiency (Duru et al, 2018).

SMEs performance is essential in maintaining their operation and competitive edge which require to adopt strategic stance that align with market demand and it can be a task due to many factors such as limited resources, competition, technology, financial management, employee development and customer relation. They focus can help enterprises to sustain and improve their performance and allow them to succeed in competitive environment (Evwierhurhoma & Oga, 2020). SMEs performance can improve significantly if they strategically invest in the right resources such as human capital, technology and marketing which enhance productivity in the market that can lead to increase better financial outcome and higher shareholder value (Virgleorova et al, 2020). It evaluates four aspects such as environmental performance, operational performance, employees' performance and competitiveness which are recognized as internal components within an enterprise, it can gain insights into their overall performance and identify area of improvement to enhance their competitiveness and sustainability (Santosu et al, 2022). Small and Medium Enterprises impacts overall economic activities which can greatly support sustainable economic growth and development of both develop and developing countries. It serves as engine room of socio-economic transformation and industrialisation of economies around the world. It provides a key platform for enhancing technical, technological, and entrepreneurial abilities among entrepreneurs. In addition, it helps to create jobs, wealth, and redistribute income within the societies (SMEDAN & NBS, 2020), as well as a significant measure of an economy's overall performance (Shettima, 2019). According to Ali (2020) SMEs are a major contributor to the GDP of a country and also significantly contribute to the foreign earning through export and develop human resource.

In Nigeria, SMEs contribution to the economy demonstrates that it is an important component for achieving growth and development. Evidence from SMEDAN (2020) report, shows that in Nigeria 73,081 registered SMEs employed 2,889,714 people, it has risen the level of employment to about 82.02% of the total work force, representing 96% of businesses in the nation and including their owners, and contribute 49,78% to the country's GDP. Hence, it contributes to poverty eradication and income production which are unique benefits of SMEs that are generally recognized by professionals (SMEDAN & NBS, 2020).

Despite the crucial role and major contribution of SMEs to the national economy, they often face numerous challenging's that seems to hinder their performance especially the ability to be innovative, lack of proactive approach, inability to take calculated risk, inadequate aggressiveness and lack of autonomy in running their business activities which lead to the limited access to market (Sharfiei et al, 2022). The effect of these challenges can result in declining revenue, slow growth, low profitability, poor service delivery, inefficiency, customer dissatisfaction, poor reputation, and lack of employee loyalty which lead to SMEs poor performance and make their survival in question. In fact, most of the SMEs survive less than five years, for those that survive they are facing difficulty in performing well (Samad, 2022).

Several government initiatives that have been put in place at all level of SMEs to address the challenges which include Small and Medium Enterprise Development of Nigeria (SMEDAN), Bank of Agriculture (BOA), Bank of Industry (BOI), Small and Medium Enterprises Equity Investment Scheme (SMEEIS), and National Enterprises Development Program (NEDEP). Similarly, several authors have also written on the challenges that facing SMEs. Despite these effort by government and academics, it seems to be inadequate to put an end to poor performance and total failure among SMEs More so, government intervention may be not relevant if individual beneficiaries and business owners do not establish an acceptable level of good culture toward entrepreneurial orientation (Ibijoju & Akeke, 2022).

From the theoretical perspective, scholars have used different theories to understand entrepreneurial activities of their SMEs. Some of these theories that have used to understand entrepreneurial activities of SMEs include the Theory of Firm Growth (Penrose, 1959), the Goal Theory (Mitchill, 1974), Resource Dependent Theory (Pleffer & Salanik, 1076), Social Cultural Theory (Jensen & Maklie, 1976) and Stakeholder Theory (Freeman, 1984). One of the possible reasons for using different theories is to understand entrepreneurial activities by enterprises because of the difficult nature of human behaviour. As such relying on one theoretical perspective to explain individual attitude and behaviour is not adequate enough. This study combines two theories that is Resource Base View Theory and Path-Goal Theory to explain how to succeed in entrepreneurial activities of SMEs which tend to use the criteria for making decisions and the Resource Base View theory would also explain effect the relationship between entrepreneurial orientation and SMEs performance. Path-Goal Theory would explain the relationship between leadership behaviour and SMEs performance.

Moreover, from the methodological viewpoint through review of the literature on entrepreneurial orientation indicate that the dimension of entrepreneurial orientation has been examined using generic measure such as Chi-Square, ANOVA, Regression and Correlation in the previous studies (Adini & Bassey, 2022: Ibijoju & Akeke, 2022: Irikefe & Bagobiri, 2022: Oduro, 2022: Adewale, 2021: Mansi, 2021 Okoli et al, 2012 and Abubakar & Hussain, 2020). It is observed that these measures offer limited modelling abilities and have difficulty in discovering mediation effect and not suit to modelling hidden variables indirect effect (mediation). However, there has been a paucity of research on the use of PLE-SEM Model

Also, from the conceptual perspective most of the previous studies Badamasi et al, (2023), Ibijoju & Akeke, (2022), Oduro, (2022), Iri kefe & Bagobiri, (2021), Mansi, (2021), Okoli et al, (2021) and Duru et al, (2021) use three dimensions of entrepreneurial orientation (Innovativeness, Proactiveness and Risk taking). While this study will use five entrepreneurial orientation dimensions such as (Innovativeness, Proactiveness, Risk Taking, Competitive Aggressiveness and Autonomy) to carry out the study.

Several studies have been conducted on entrepreneurial orientation and SMEs performance, most of them were carried out mainly in Asia, Europe and United State of America (USA) which showed consistent findings regarding the relationship between entrepreneurial orientation and SMEs performance. Among the studies that stated a positive relationship between the concepts include Mercy et al, (2022), Oduro, (2022), Hassan & Asheq, (2021), Hina et al, (2021), Ferreras- Mendez, et al, (2021) Mansi, (2021), Agyopong et al, (2020), Almunany et al, (2020) Basco et al, (2020), Bhadari & Amponstira, (2020), Galbreath et al, (2020), Isichel et al, (2020), Jadadish, (2020), Jimenez-Jimenez et al, (2020), Raats & Kravaver, (2020) and Eniola, (2020), Alvarez-Torres et al, (2019), Hayat et al, (2019), Brownhilder & Jonah, (2019), and Petersen, (2019). However, these findings do not explain the extend of the relationship between entrepreneurial orientation and SMEs performance and as such this study will examine the mediating effect of leadership behaviour on entrepreneurial orientation and SMEs performance in Maiduguri metropolis, Borno State of Nigeria.

2. Literature Review and Hypotheses Development

SMEs performance is the actual results and outcomes of an enterprises to measure its expected goals and objectives. It consists of two specific areas of the company results, financial SMEs performance includes profitability, market share and sales, also non-financial performance such as growth, employee loyalty, customer satisfaction, efficiency and effectiveness (Mahmud et al, 2019). SMEs performance is extremely affected by the depth as well as field of management association. It aims at designing and introducing new business venture, technologies and innovativeness that will operate by the enterprises practicing entrepreneurial orientation and eventually attaining outstanding performance (Hina et al, 2021). Performance is concerned with means of helping marketers to evaluate how well their marketing activities are running towards attaining the goals of the market plan (Akpan et al, 2022). SMEs performance is the outcome of company activities. SMEs performance refers to as capacity of outcome with desire results and activities that are normally accepted by the enterprise. This respectable measure of performance can either be financial or non-financial performance measurement (Hayat, 2019). Pulka (2019), suggest that SMEs performance is the capacities of enterprise to lead, coordinate and use various core resources with ideal and right arrangement to achieved target goals and performance which is able to provide business openings, development of a GDP, trade and to elevate living standard of general public.

Similarly, SMEs performance is measure that describes the condition of an enterprises that may not only depend on efficiency and effectiveness but also on the environment where the firm operates (Onyerma, 2019). SMEs performance measurement is a crucial matter specifically in entrepreneurship activity because it allows business practitioner to think and find out means to foster development of enterprises and make meaningful contribution to economy (Isichei et al, 2019). SMEs performance is directly linked to similar business concepts which includes growth productivity, efficiency and competitiveness, while being often categorized into different dimensions in business result. It concerned with firm capability of exploring efficiently its available resources in order to achieve certain strategic objectives and result by considering customer's needs and market changes (Taoab & Issor, (2019). SMEs performance is the most significant dimension that could be used to estimate and

examine the final outcome of employees (Kong, Antwi-Adeji & Bawuah, 2020).

Entrepreneurial orientation enables the firm to focus on the equality of the SMEs performance which begins when the management system, that arranges organizational activities and initiatives demonstrate the entrepreneurial ideas (Covid & Wales, 2019). Entrepreneurial orientation is a dynamic capability that help enterprises to acquire and maintain a competitive advantage in market place and is formally connected to the firm behaviour and success (Hossain et al, 2022). Entrepreneurial orientation is defined as an important strategy in the process of improving performance of the companies and a catalyst for the manager to serve as entrepreneurial (Okangi, 2019). Entrepreneurial orientation refer to the post of personal psychological development, values, attitudes and quality strongly associated with an encouragement to involve in entrepreneurial activities (Adeyemi, 2022).

2.1 Innovativeness and SMEs performance

Innovativeness is an advancement of fairly already existing products successfully implementation of new ideas, appropriate quality and corporate intervention. It is about continuous enhancement of enterprise products and services, production process and management with the aim of obtaining competitive advantage and superior performance (Tang et al, 2020).

Innovativeness as an important dimension of entrepreneurial orientation is perceived as critical for small and medium enterprises performance in a highly competitive and challenging business environment, it should be crucial for enterprises with the aim to effectively compete in such explosive unpredicted market (Isichel et al, 2019). SMEs depend on creativity to improve their performance, but lack of sufficient resources hindered this process in emerging economics (Games & Rendi, 2019). Innovative manager helps SMEs to seize opportunities in order to put more effort and ability to improve their performance. Highly innovative enterprises are possibly experiencing positive start in their respective market with respect to new technology, products, services or processes, SMEs with great level of creativity have superior performance than those with lower level (Edeh et al, 2020). However, innovative SMEs expand their business activities easily through productivity since creative enterprises can develop, enhance, change to new products and services which will build them with competitive advantage in market (Saridakis et al, 2019).

According to Basco, (2020) innovative oriented SMEs has increased its technological-based knowledge by gained and maintaining competitive advantage in highly challenging and unpredicted business environment. It is one of the most significant factors that determined SMEs performance since enterprises with high level of creativity perform better in terms of economics growth and development than the others with low creativity and it also allows SMEs to enhance their value which will lead to high performance (Ngo, 2023). Innovativeness concerned with SMEs strategic behaviour to create products and services development deal with competitive advantage for rapid change in economic conditions (Olubiyi et al, 2019). The business environment is continually changing business enterprises to be more intelligent in competition and maintain first-mover advantage by recognizing the significant role of innovativeness (Luu & Ngo, 2019).

Furthermore, Performance of SMEs are control through its ability to create new product and services (Mikalef et al, 2019). Innovation is perceived to be most crucial SMEs marketing technique as well (Robinson, 2019). Moreover, with the rapidly change in technology, firms provide new products based upon customer needs and demands, as their needs change rapidly they want a new product with the current technology (Audretech & Belitski, 2020).

H_{01} : Innovativeness has no significant effect on SMEs performance

2.2 Proactiveness and SMEs Performance

Proactiveness refer to as opportunities seeking, anticipations, creative changes and forecasting evaluation concerning extreme circumstances which initially prepared against uncertainty and taking the first stage ahead of competition. It is an idea which intend to introduce new products ahead of competitor in an enterprises and strategized removal of production methods that have less impact to business stages (Hernandez-Sanchez et al, 2020).

Proactiveness provides first-mover advantage to enterprises since proactive SMEs have capability to seize opportunity earlier than their competitors which make them to forecast perspective changes in the market place (Khan et al, 2021). Proactive company can rectify and designed changing the customer needs and make them clear to open ideas in market signal (Basco et al, 2020). However, SMEs urged to be proactive before securing competitiveness and high performance in the market, it capability to be proactive may include advancement in technology that led to enhance performance (Saridakis & Dana, 2022). Proactiveness as significant part of business activities always help to obtain first-mover advantage over its rival by identifying and turning ideas into opportunity which enable SMEs to increase performance. SMEs responsively develop future market approaches to introduce new products and improve its strategies to recognize new market opportunity and increase market share ahead of competitors (Ishichel et al, 2019).

Proactiveness support SMEs to seek opportunities to introduce creative goods or services to fit the potential customer's demand. They suggest that entrepreneurs need to be proactive in creating networks. It is observed that Proactiveness requires SMEs actively involved in capitalize opportunities, and the means where the firm needs to respond to future needs and take initiative changes as well as anticipate future problems to take proactive measures (Rubairo et al, (2021). Proactiveness indicates SMEs ability to anticipate in market demand and opportunities through market analysis and induce new products or processes a head of competitors to achieve first-mover advantages in the market place (Khalid, 2019).

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Ho₂: Proactiveness has no significant effect on SMEs performance

2.3 Risk Taking and SMEs Performance

Risk taking is defined as capability of entrepreneurial to make confident decision such as entering new market or distributing large number of productive assets to give unfair results or heavy borrowing. SMEs takes average risks with certainty in business decisions and process rather than being involve in situation including high risks or certainty that could result in loss of profit or market share (Abdullahi et al, 2021).

Risk taking possibly will become counterproductive in certain context and for SMEs that already performing poorly. It could carry out high costs which in some condition might exceed its potential benefits in short period (Luu & Ngo, 2019). SMEs that makes risky decisions and takes dangerous activities under uncertain situation can make them to face costly failure or high returns (Chandrayanti et al, 2020). Risk taking increases the probability of generating and implementing inventive ideas and influence ideas selection as additional creative ideas are perceived as uncertain than less creative ones (Salvi & Bowden, 2020). Therefore, SMEs that have courage to take risk have more opportunity to succeed even with their limited resources (Games & Rendi, 2019). As the business grows SMEs faces many forms of threats from the non-availability of funds, inadequate capital, and availability of loans of high rages (Gurley and Lygovsky, 2019). Entrepreneur should be well expert to tackle all the legal formalities and complete the business proceeding, otherwise it may deter the growth of an enterprises. SMEs that adopt entrepreneurial orientation often describe by high risk-taking behavior which includes taking large debts or making more resources dedicated to project with a view to earn high return based on opportunities available. (Evans & Gabel, 2020).

SMEs engage in relatively high levels of risk-taking behavior enables themselves to seize profitable opportunities in the face of uncertainty which leads to long-run profitability. Risk taking denote enterprise involvement in large-resources commitment, incurring uncertainty to gain high returns by seizing opportunities in the market place. It is expected that SMEs that have superior performance would also have a higher level of risk propensity, the higher the risk, the higher the return Imran et al, (2018). Aidoo et al, (2020) suggest that SMEs that are risk takers can make uncertain investment and receive high returns on investment have superior performance compare to their rivals with less risk.

Ho₃: Risk taking has no significant effect on SMEs performance

2.4 Competitive Aggressiveness on SMEs Performance

Competitive aggressiveness refer to as the enterprises tendency to offensively compete with the goal to perform better than industrial rivals, SMEs with this nature of entrepreneurial activities present argumentative position and aggressively respond to competitors actions and moves to secure competitive market position and enterprise with the high competitive aggressiveness could directly react to competitive price reduction strategy by reducing its own price more than expected (Yaro et al, 2020). Competitive aggressiveness is defined as the offensive activities of business enterprises to beat their competitors (Raats & Krakaver, 2020). Competitive aggressiveness is an additional reaction to rivals, as it competitive threats position depend on the competitive advantage or to get new competitive advantage over its competitors (Abidemi et al, 2020).

Competitive aggressiveness involves in an activity of enterprises to get quick and powerful response against their competitors approaches that make SMEs become encourages to create new ideas and apply competitive strategies that increase their performance (Khan et al, 2021). SMEs that maintain competitive aggressiveness are more likely to perform high and are permitting to external sources depend on the size of their business activities. SMEs that competitively aggressive have to perform better than their competitors, and its helps enterprises to seize changes in hostile environment however, more aggressiveness is not always positive that

business may damage their capability and lose goodwill by being extremely aggressive. Similarly, competitive aggressiveness SMEs have been affirmed to earn first mover advantages by continuously explain new ways to satisfy customer needs, exploiting a greater number of opportunities compared to rivals and diminishing the effectiveness of competitors actions by launching timely responses to described market positions. SMEs that initiate more rapid activities than competitors are more likely to enhance performance and hamper the performance of their rivals. As such SMEs that are enable to creative by introducing new products and services that satisfied customer needs enhance profit, create competitiveness and capture market position. Competitive aggressiveness helps SMEs maintain their position as leader and their market share relative to challenger (Teles & Schaohtebbeh, 2019).

Pradip, (2023) believe Competitive aggressiveness ensures customers to get high value for their money and better customer service and that all operations gets their fair share with maximum profitability. SMEs take more activities and execute them without wasting time tend to make higher profitability and more market share. Therefore, aggressive techniques are price cuts and increased resulting in marketing, enhancement of quality and increased production capacity. Thus, when an enterprise enters market, its competitive aggressiveness will outline its propensity to aggressively fight its rivals in an effort to output form them. Aggressiveness in promoting creative products and services is a sign of competitiveness and hence, it is also closely related to innovation, it is noted that firm would find it difficult to practice competitive aggressiveness without creativity.

Ho₄: Competitive aggressiveness has no significant effect on SMEs performance

2.5 Autonomy and SMEs Performance

Autonomy is defined as the independent or freedom of a business owner to execute activities or to act as a ruler in running the affair of the enterprises. It is an idea that made free any functions of management and ultimately have the capability that allow employees tendency to drive opportunities (Usuroh, 2021). Autonomy is the process associated with the business strategy in the inventory of entrepreneurial orientation. It is where team of employees were given power, they can develop ideas and expected to find required solution to problems that prepare ahead of them. It is also the freedom to capitalized on opportunities and enterprise competitive advantage which relate to the use of invention by initiating another relevant idea that sighted it through until it meets the intention successful (Almamany & Alshsllaqi, 2022).

Autonomy has been established by SMEs give independent and encourage employees to apply it. It involves the use of encouragement champion to promote entrepreneurial activities within the enterprise. This will protect novel ideas creativity or creative thinking SMEs from bad judgment treatment and possible resource problem (Duru et al, 2018). Van Gelderen et al, (2020) believed that autonomous behaviour makes owners and employees of enterprises to act more freely when making strategic decision. It is also the motivational factor which energise entrepreneur to set up and operate business activities. SMEs are less autonomous compare to large enterprises; they formalize the variation between larger and smaller enterprises and set the fact that management form and quality of assets and other determent factor to describe the distinct among the autonomy of enterprises.

However, SMEs tend to encourage the active employees to set pricing competitiveness with the autonomy giving to them which provides foundation for value creation. They may earn benefit from shaping price structure across products ranges that help them achieve SMEs performance. It may generate value by giving autonomy to acquired local targets to best meet the local consumers need. Autonomous is an effective tool for enhancing performance in startup business activities and to be successful when it allows employees to leave comfortable, intended to pursue novel ideas in the production of production and services in an enterprise (Bala et al, 2018).

SMEs that view autonomous function adopt to employee's creativity by promoting new ideas (Yaro et al, 2020). The availability of resources and policies that encourage employees tend to be the factors that most influence the performance (Tuan et al, 2022). Management control systems utilized support managers in identifying, assessing, selecting and implementing action to improve performance (Osma et al, 2022).

In the same light, more autonomy mean that employees are less dependent on eventual bureaucratic and are lose to customer and market situation, such, employees also feel more responsible for their duties they perform, creating new work designs and new responses to identified needs. Hence, the greater the autonomy of a given organizational structure, the greater can be responsibility of those who work those and have decision making power (Johnson et al, 2019).

Ho₅: Autonomy has no significant effect on SMEs performance

2.6 Leadership Behavior, Entrepreneur Orientation and SMEs Performance

Leaders are expected to understand the value of learning from their team members and knowledge, ideas and experience with open door policy they engage their employees, they create environment where new ideas can flourish and innovativeness can help. It is who isolate themselves in their offices risk missing out on valuable insights and perspectives from their team (Sharma, 2022). Leader uses those behaviour to urge employee's knowledge once they have ability and foresight for a product, an enterprise or the employees (Indeed, 2020). A leader passion, attitude readiness initiative, dedication, commitment and selfless act is done in a peculiar manner in order to bring increase in productivity, performance and effectiveness (Mgbese, 2022).

The success or failure of SMEs largely depends on the management skills knowledge experience and leadership behaviour adopted by the enterprise's owners and managers since under effective leadership employees are ready to go the extent that they contribute their quality to growth and development of the company, they lack initiative and motivation to give their best quota to the enterprise and always they have poor performance due to the lack of effective leaders (Aghahowa, 2021).

In the same vein, Leadership has been distinguishing as the best status to set up, improve enterprise competitive advantage and enhance its performance frequently. It is supported by the performance that change business activities environment within which enterprise operates which led them to determine new process of performing their functions and deal with the challenges related to leadership (Biron et al, 2021). However, SMEs have appreciated the performance of the company trusted which to the effective human capital on ground, the success of an enterprise is determined by the leaders and the quality of the employees (Lavee, 2021). Leaders of the enterprises often stems from the capability of employees at the top level, whether its owner who initiate the business activity or the leader provide vision for the team and the guidance play a pivotal role in forming direction and success of the enterprise. Leadership has been exhibited to boost entrepreneurial activities particularly where SMEs serve as an incentive for the future and sustainability of large firm. As has been describes in the research, the critical determinant of failure and success of SMEs is leadership behaviour. Similarly, leader can significantly alter SMEs strategy vision, attitude and culture through products and services creation. They foster innovation within the firm and promote opportunity and creativity. The quality drive and intellectual stimulation of leaders are critical for firms to innovate. Leaders are proactive they strive to be competitive; they build environments rather than react passively and they actively guide their firms towards accomplishing their planning goals and objectives. They bear SMEs risk taking proactivity, create safe environment for employees to take risks (Bojoddzieu et al, 2019).

Leader encompasses with employees by means of helping them to satisfy their needs and accomplish enterprise goals, as well award them some rewards, solved their problems and defined their interest and in return the employees offer their leaders loyalty, acceptance and appreciation and it is the basis of every administrative process concerning firm performance assessment stages and is of great significance in influencing and directing human resources. Thus, the problem of selecting administrative leaders inspired and developed employees become one of the most vital problems (Hebes, 2019).

The problem is due to challenges in defining necessary requirements for effective leadership because the condition varies from one work to another during regular periods of time according to the performance result achieved (Suryanigstiyas et al, 2019). In addition, Martinez et al, (2020), opined that behaviour based upon leadership can create work system more available to leader's employees and followers, they fail more important support with greater autonomy in performing their work. Leadership focuses on the leader's behaviour influencing value and ambition of the employees activating their high needs and inspiring them to overcome their interest for the benefit of the firm. As such, when these behaviours are held by top managers, they may be necessary contextual factors that enhance the impact of entrepreneurial orientation.

Ho₆: Leadership behaviour has no significant effect on the dimensions of entrepreneurial orientation and SMEs performance.

2.7 Resource-Based view

Research-Based view (RBV) theory was presented by Wernerfelt, (1984). Wernerfelt was quick to detail the significance of assets in an organization and the administration of the assets. A long time after scientists acquired interest in RBV and reasoned that, to acquire upper hand asset heterogeneity is significant for the firm (Barney, 1991). Albeit the writing presents a wide range of thought around the idea of the orientation point of view. RBV is a theory that help in deciding the orientation accessible inside the firm and relates them to the capacities of the firm in a quiet way. This brings into thought the productivity and the work factor related with the firm (Colbert, 2004). Subsequently, upper hand can be conveyed to an association when the association can use its assets in an extraordinary and significant way than the contenders of the firm (Colbert, 2004). The fundamental target of RBV is to make the ideal mix of assets and effectively apportion them to misuse ecological freedoms or to kill dangers (Teece et al, 1997). Since each SMEs has its own set of experiences, development after sometime, obtained resources, abilities and encounters route and developed its own particular authoritative culture, no two organizations are similar. Subsequently through RBV a system would give a supportive benefit because of its supremacy (Wernerfert, 1984). The RBV has been broadly used to measure the effects of resources on firm, performance (Barney, 1991; Peteraf, 1993; Wernerfert, 1984). However, according to Barney, (1991) and Wernerfert, (1984). Using RBV perception, it is bundles of distinctive that give firms the required competitive advantage and a better SMEs performance. Therefore, for any SMEs to attain high performance, it must be emphasized on the internal resources of the firms. These firm resources, according to Barney, (1991) and Cornor (2002), include experience, skills, managerial process, competencies and capabilities. Though RBV specific and unique resources are sources of competitive advantage and better performance, it is emphasized that only intangible resources are considered as sources of competitive advantage and high performance.

Similarly, Kang and Park, (2012) maintained that the collection of firm resources determine its performance. For that reason, leadership behavior, innovativeness, Proactiveness risk-taking, competitive aggressive and autonomy are being regarded as SMEs intangible resources that could lead to the attainment of better firm performance. Thus, leadership behavior, innovativeness, Proactiveness, risk taking competitive aggressive and autonomy which enable SMEs to visualize, initiate and convey a comprehensive plan, high approaches and help

in the implementation of such strategies to improve firm performance (Barney, 1991, Hussaini et al, 2016).

However, these resources are critical to the achievement of superior firm performance, previous research on entrepreneurial orientation indicate less research awareness and attention to these dynamic resources in achieving firm's performance. Similarly, few studies have been linked leadership behavior and entrepreneurial orientation dimension to firm performance among SMEs. The RBV theory is therefore adopted as the theoretical framework to underpin this study, because the theory focused aligned with the study interest which centered on leadership behavior entrepreneurial orientation dimensions and firm performance among SMEs.

In line with the literature, this study comes up with the framework of the effect of entrepreneurial orientation and firm performance among SMEs with mediating effect of leadership behavior. The conceptual framework is a pictorial representation of the relationship between the variables. Furthermore, the framework if properly articulated and presented, will assist the researcher to make meaning of findings of the study under review, it can be used to explain the possible connection and relationship between the variables of the study.

Methods

The suitable research design used in this study will be quantitative research approach and cross-sectional design is more appropriate based on the research objectives. The population of this study comprises of seven hundred and eighty-two (782) owners/ managers and employees of selected SMEs from different sectors that are registered with Borno Chamber of Commerce, Industry Mine and Agriculture (BOCCIMA) in Maiduguri Metropolis, Borno State to examine the mediating effect of leadership behaviour on the relation between entrepreneurial orientation and SMEs performance. They serve as a pillar of business which support growth and development of SMEs initiative (BOCCIMA, 2024). By collecting data from owners and managers it provides accurate and comprehensive understanding of the entire population. However, it also allows generalization of the result which is reliable and valid if selected across the different sector than when the study concentrate on one sector only. The sample size of this study will be two hundred and sixty-five (265).

The study will used survey method to collect data from SMEs owners/ managers and employees within Maiduguri metropolis. An adopted closed-ended structured questionnaire for data collection covers all the dependent, independent and mediating variables. The questionnaire will be divided into four (4) sections to include, Demographic data section, Entrepreneurial orientation section, Leadership behaviour section and firm performance section. It will be structured in a 5-point likert scale, ranging from 1= strongly disagreed (SD) 2= disagreed (D), 3= undecided (UD) 4= Agreed (A) 5= strongly agreed (SA) respectively.

Descriptive and inferential statistics will be used for the purpose of data presentation, data analysis and hypotheses testing. Statistical package for social sciences (SPSS) will used for preliminary analysis and Partial Least Square Structural Equation Model (PLS-SEM) will used for the main analysis because it is effective and flexible technique in statistical model development and prediction. It also advanced in estimation compared to regression particularly in mediation assessment and its strength derives from providing measurement error and accurate mediating effect estimate (Hair & Alamer, 2022).

Conclusion

In conclusion therefore, the principal objective of this paper is to propose a conceptual framework for achieving high SMEs performance. The proposed framework reflected on the proposed mediating effects of leadership behaviour on dimensions of entrepreneurial orientation and SMEs performance. Likewise, the proposed framework is presented as an approach to be used in connecting the insufficient academic clarification in the

prevailing literature on the association between leadership behaviour on dimensions of entrepreneurial orientation and SMEs performance and mediating influence of leadership behaviour. Therefore, this study serves as a foundation for further studies on leadership behaviour, dimensions of entrepreneurial orientation and SMEs performance.

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ASSESSMENT OF CUSTOMERS' PERCEPTION OF ONLINE BANKING SERVICES IN ECO BANK, ALKALI ROAD, KADUNA

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Abstract

This study examines customer perception of online banking services provided by Eco Bank, Alkali Road, Kaduna, with a focus on the roles of trust and service guarantee as key determinants. Using a quantitative research design, data was collected through a structured questionnaire distributed to 353 respondents. The study examines how trust and service guarantees influence customer satisfaction and perception of online banking services. The results revealed a very strong positive correlation between the predictors (trust and service guarantee) and the dependent variable (online banking services), with an R-squared value of 0.961, indicating that trust and service guarantee account for a significant proportion of the variation in customer satisfaction. The path coefficient analysis further confirmed that both trust and service guarantee have statistically significant positive effects on customer perceptions, with service guarantee being the most influential factor. The study contributes to the understanding of customer perceptions in the Nigerian banking sector and highlights the need for banks to enhance service guarantees and trust to improve customer satisfaction. The findings have practical implications for improving the online banking experience and customer loyalty. Additionally, the study suggests avenues for future research to explore the role of other factors, such as digital literacy and cybersecurity, in shaping customer perceptions of online banking services.

Keywords:

ECustomer perception,
online banking services,
trust, service guarantee,
customer satisfaction,
Nigerian banking sector.

Introduction

The advent of the new millennium introduced unprecedented opportunities for information access while simultaneously presenting challenges in safeguarding sensitive data. In the business sector, particularly within the 21st-century banking industry, operations have become increasingly complex and competitive, driven by rapidly evolving factors and an unpredictable environment (Matthews et al., 2023). As a result, information and communication technology (ICT) has become integral to the banking industry. The adoption of ICT, commonly referred to as online or e-banking, has transformed how banks implement concepts, methods, guidelines, and policies. This technological integration greatly influences management decisions, product offerings, and service delivery, reshaping corporate management and customer relationships (Blichfeldt & Faullant, 2021). E-banking can be implemented in various forms, ranging from internet and mobile banking to telephone and PC banking. However, Rai (2023) describe e-banking as the ability of customers to conduct banking activities through the Internet using mobile phones, web browsers, or computers. Online banking as a modern way to provide traditional banking services automatically, noting that definitions vary depending on the researcher and the services involved.

Essentially, online banking includes bill payments, money transfers (both domestic and international), online purchases, and account balance inquiries. These services significantly reduce the stress associated with traditional banking, where customers had to visit physical branches and endure long queues (Mulyana & Jamaludin, 2023). Globally, the rise of online banking has led to an increase in online transactions, underscoring the importance of enhancing customer knowledge and perceptions of these services. Online banking services however, have revolutionized the financial industry by providing customers with convenient and efficient alternatives to traditional banking. The emergence of online banking can be traced back to the late 20th century when banks began offering basic services such as checking account balances and transferring funds via the internet. Over time, these services have expanded to include a wide range of financial transactions, including bill payments, loan applications, and investment management (Malins, 2024).

Customers are critical stakeholders in any organization since businesses cannot survive without their support. Positive customer impression has a huge impact on organizational success since people buy services based on different benefits, which leads to a variety of behaviors and levels of satisfaction. This satisfaction is critical in building trust, commitment, and purchasing intentions. Customers that are satisfied are more likely to remain loyal, resulting in increased business and lower operational costs (Tulcanaza-Prieto et al., 2022).

Organizations must prioritize long-term client relationships and identify gaps between customer expectations and services provided. Investing in customer relationship management allows businesses to develop value-creating strategies, which drives long-term competitive advantage and improves organizational performance. Despite these developments, it is still critical to understand which components of consumer perception have the greatest influence on new financial services, as this will provide insights for continual improvement in service delivery and engagement (Eklof et al., 2018).

According to Hassan et al. (2024), Online banking offers significant convenience but faces challenges, including security vulnerabilities such as cyberattacks, phishing, and fraud, which necessitate robust data protection measures. Technical issues like outages and software glitches can disrupt services, while the absence of personal interaction complicates resolving complex customer concerns. Barriers such as digital illiteracy and limited internet connectivity hinder adoption, especially in underserved areas. Additionally, banks must navigate

complex regulatory compliance and address privacy concerns regarding customer data. Finally, online banking platforms sometimes lack full-service functionality, excluding services like cash deposits and certain transactions. Adaji (2024) state that Frequent disruptions in online banking services hinder access to funds, payments, and financial transactions, negatively impacting individuals and businesses. These interruptions, viewed as breaches of consumer rights under the FCCPA 2018, erode trust due to poor communication from banks. In Nigeria's shift to a cashless economy, such challenges obstruct financial inclusion and economic efficiency. The FCCPC highlights deficiencies in grievance resolution processes and urges banks to enhance customer support and prioritize service restoration to improve operational reliability and customer-centric practices.

Therefore, in order to respond to this issue one specific objective was formulate:

To Determine the effect of Trust and service guarantee on online banking services in Eco bank Alkali Road Kaduna.

To Determine the effect of service guarantee on online banking services in Eco bank Alkali Road Kaduna.

The study is essential for investors, business owners, and the government because Nigerian banking sector are the backbone of every economy that unhook growth owing to their export, economic expansion, and industrialization. The results could therefore be used to influence commercial banking policy, which is essential for the survival of Nigerian banks across the country. The scope of study hinges on the bank's branch located in Alkali Road, Kaduna.

Literature review

Online banking services: Online banking has revolutionized the financial sector, offering customers convenient access to a range of services, from basic balance inquiries to advanced features like loan applications and investment management (Zhou et al., 2022). Its primary benefit is convenience, enabling transactions anytime while reducing costs and increasing access to underserved populations (Alalwan et al., 2021). However, challenges like cybersecurity threats, digital illiteracy, and connectivity issues persist (Gupta et al., 2024). Emerging technologies like AI and blockchain enhance personalization and transaction security, driving future adoption (Kim et al., 2023).

Customer perception: Customer perception encompasses the opinions, attitudes, and impressions customers form based on their interactions with a brand's products or services, substantially impact loyalty, purchase decisions, and satisfaction (Kotler & Keller, 2022). Factors like perceived quality, brand image, emotional connection (Schmitt, 2019), and overall customer experience, shape perceptions. Expectations, cultural influences, and digital presence further impact customer attitudes (Kim et al., 2023). Positive perceptions foster trust and loyalty, highlighting the importance of quality, engagement, and feedback in strategy (Foroudi et al., 2022).

Trust: According to Bodó (2020) Trust is built through interpersonal and business interactions, rooted in the perceived credibility and benevolence of a firm and its services. Credibility reflects a customer's belief in the reliability of a firm's promises and actions, while benevolence pertains to the perception that the firm genuinely prioritizes the well-being of its customers. Trust also encourages customers to share personal information, assured of its confidentiality. When a service provider is deemed trustworthy, the likelihood of fostering and strengthening customer–firm relationships increases. Thus, trust plays a pivotal role in shaping customer perceptions and ensuring long-term engagement.

Service guarantee: A service guarantee can provide firms with a competitive edge by fostering customer trust and enhancing perceptions of service quality. This approach aligns with findings that service guarantees help businesses differentiate themselves by ensuring reliability and addressing customer concerns promptly. They act as effective tools to enhance customer satisfaction and loyalty, ultimately contributing to sustained competitive advantage. For further insights, recent studies discuss the role of service guarantees in improving customer perception and organizational success (Yu et al., 2022).

Empirical Review

Almansour and Elkrghli (2023) examined customer satisfaction with e-banking services in Libyan banks, focusing on perceived usefulness, ease of use, credibility, and customer attitude. Using a questionnaire distributed to 215 users, findings showed that all these factors significantly impact satisfaction, with customer attitude being the most critical, followed by ease of use, credibility, and usefulness. Recommendations include prioritizing positive customer attitudes, enhancing platform usability and credibility, and promoting service usefulness. These findings offer practical strategies for Libyan banks to improve e-banking satisfaction and contribute to broader research on digital banking. However, the study provides valuable insights into factors influencing customer satisfaction with e-banking services in Libyan banks, but it has notable limitations. The reliance on a self-reported questionnaire may introduce response bias, potentially affecting the validity of the findings. Additionally, while customer attitude is highlighted as the most critical factor, the study does not explore underlying reasons or contextual influences on this relationship. The focus on Libyan banks limits generalizability to other regions. Future research should incorporate qualitative methods and cross-country comparisons for a more comprehensive understanding.

Tulcanaza-Prieto et al. (2023) This study examines how customer perception factors (convenience in use, personalization, trust, customer loyalty, and customer satisfaction) influence AI-enabled customer experience (AI-hedonic customer experience and AI-recognition customer service) in Ecuador's banking sector, using a self-designed online questionnaire and analyzing 226 valid responses with SPSS 26 and structural equation modeling, finding that all five factors positively and significantly impact AI-enabled customer experience, aligning with similar studies in the UK, Canada, Nigeria, and Vietnam, while highlighting limitations such as not including all AI financial services and the lack of a customer perception index, and recommending future longitudinal studies to measure the impact on Ecuadorian banks' performance.

While the study offers valuable insights into how customer perception factors affect AI-enabled customer experiences in Ecuador's banking sector, several aspects could be improved. The use of a self-designed questionnaire raises concerns about the validity and reliability of the measurement tools. Additionally, the study's scope excludes certain AI financial services, limiting the generalizability of its findings. The absence of a customer perception index reduces the comprehensiveness of the analysis. Future research should consider more robust sampling methods, broader service inclusion, and longitudinal designs to enhance reliability and relevance.

Theoretical review Technology Acceptance Model (TAM) was adapted for this study, it introduced by Davis (1989), it is a framework for understanding user acceptance of technology. It posits that two primary factors, **perceived usefulness** (the extent to which a user believes the technology enhances performance) and **perceived ease of use** (the degree to which using the technology is free of effort), directly influence an individual's intention to adopt and use a technology. TAM has been widely applied in studies on user behavior and technology adoption across various fields, emphasizing its practicality and adaptability. However, by

applying TAM, the study can identify key factors driving customer perception and offer recommendations for enhancing the online banking experience.

Methodology:

The study uses a survey descriptive research design to identify and describe the characteristics of variables of interest, guided by specific research problems. The study's population includes 354 customers of Eco Bank on Alkali Road. Researchers used non-probability sampling methods, specifically snowball and convenient sampling, to collect data. A sample size of 354 was selected from a total population of 3,064 bank customers using the Taro Yamane sample estimation technique.

Using the Yaro Yamane sample estimation technique, the formula is expressed as:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

- n : Sample size
- N : Population size
- e : Margin of error (0.05 for a 95% confidence level)

Given the population size $N = 3,064$, and margin of error $e = 0.05$:

$$n = \frac{3,064}{1 + 3,064(0.05)^2}$$

$$n = \frac{3,064}{1 + 3,064(0.0025)}$$

$$n = \frac{3,064}{1 + 7.66}$$

$$n = \frac{3,064}{8.66} \approx 354$$

Kaduna, based on the determined sample size.

The study's primary data was collected from bank customers through a well-structured questionnaire, administered to randomly selected account holders in the Eco bank Alkali Road Kaduna. The questionnaire had two sections: Section A for customer biodata and Section B for customer perception questions and was adopted from the work of (Kaur & Arora, 2020) and (De Oliveira et al., 2023).

Data was be analyzed using simple statistical tables with percentages, and hypotheses was be tested using the regression analysis technique, known for its unbiased and efficient parameter estimation in logistic regression models. The specified models are:

$$CS = f(OB)$$

Where:

CS = Customer Satisfaction

OB = Online Bank

The econometric equation for the model is specified as

$$CS = \beta_0 + \beta_1 OB + U_i$$

β_0 = constant the estimated slope

β_1 = coefficients of the estimate

U_i = Error Term

$\beta_1 > 0$

The study employed quantitative and descriptive research methods, including a cross-sectional descriptive design, to sample respondents' from the population at a single point in time. Data was collected through questionnaires on customer service delivery and perception, and analyzed using simple tables with percentages. Hypotheses were tested using the regression analysis estimation technique, chosen for its unbiased and precise estimation capabilities.

Data Presentation and Analysis

The study used regression analysis to investigate the effect of the independent variables on the dependents variable.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.981 ^a	.961	.961	.05245

a. Predictors: (Constant), Trust and Service Guarantee

The correlation coefficient ($R = 0.981$) indicates a very strong positive relationship between the predictors (trust and service guarantee) and the dependent variable (online banking services). The R Square value of 0.961 shows that 96.1% of the variation in online banking services is explained by these predictors, demonstrating an excellent model fit. The Adjusted R Square value of 0.961 confirms the model's robustness, ensuring it is not overfitted despite the number of predictors.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.978	3	7.993	2904.992	.000 ^b
	Residual	.963	350	.003		
	Total	24.941	353			

a. Dependent Variable: online Banking services

b. Predictors: (Constant), Trust and service guarantee: The F-value of 2904.992, with a significance level (Sig.) of 0.000, demonstrates that the overall model is statistically significant. This indicates that trust and service guarantee are substantial predictors of customer perception of online banking services, confirming their strong influence on the dependent variable.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.590E-16	.012		.000	1.000
	Q6	7.245E-16	.008	.000	.000	1.000
	Trust	.037	.013	.050	2.946	.003
	Service guarantee	.963	.014	.946	66.814	.000

a. Dependent Variable: online banking service

Trust has a small but statistically significant positive effect on online banking services, as indicated by an unstandardized coefficient (B) of 0.037, t-value of 2.946, and a significance level (Sig.) of 0.003. In contrast, the

service guarantee is the most significant predictor, demonstrating a very strong positive impact on online banking services, with an unstandardized coefficient (B) of 0.963, t-value of 66.814, and a significance level (Sig.) of 0.000.

Therefore, the findings from the model summary, ANOVA, and coefficients table provide significant insights into customer perception of online banking services at Eco Bank, Alkali Road, Kaduna. With an **R value of 0.981** and an **R Square of 0.961**, the results highlight a very strong correlation and an excellent model fit, explaining 96.1% of the variance in online banking services. The **F-value of 2904.992** (Sig. = 0.000) confirms the overall statistical significance of the model, indicating that **trust and service guarantee** are critical predictors.

From the coefficients table, **trust** has a modest but statistically significant positive effect ($B = 0.037$, $t = 2.946$, Sig. = 0.003), suggesting its importance in shaping customer perception. However, **service guarantee** is the dominant factor ($B = 0.963$, $t = 66.814$, Sig. = 0.000), showing a substantial impact. These findings underscore that while both factors are important, improving service guarantees—such as reliability, compensation policies, and adherence to promises—should be prioritized to enhance customer perceptions and satisfaction with online banking services at Eco Bank. This analysis validates the importance of trust and service guarantees as critical dimensions in customer perception, aligning with theories of service quality and behavioral intention in financial services.

Conclusion

The study assessed customers' perceptions of online banking services at Eco Bank, Alkali Road, Kaduna. Findings revealed that trust and service guarantee marked effect on customer satisfaction and perception of online banking services. Trust, while modest in its impact, plays a crucial role in fostering customer confidence, as evidenced by its statistically significant positive effect. Service guarantee, however, emerged as the dominant factor, demonstrating a substantial influence on customer perceptions by ensuring reliability, prompt issue resolution, and adherence to promises. With 96.1% of the variance in online banking services explained by these predictors, the study underscores the critical importance of these factors in enhancing customer satisfaction. The results validate the importance of integrating trust-building mechanisms and robust service guarantees to improve the online banking experience.

Recommendation

1. **Enhancing Trust:** Eco Bank should focus on strengthening its security systems to safeguard customers' sensitive information and prevent cyber threats. Transparent communication regarding policies and procedures can further build customer confidence.
2. **Improving Service Guarantees:** The bank should prioritize fulfilling service commitments, ensuring operational reliability, and introducing clear compensation policies for service disruptions. This will help establish the bank as a dependable partner for customers.
3. **Customer Education:** Initiatives to educate customers about online banking services, including their features, benefits, and safe usage practices, will reduce digital illiteracy and improve service adoption.
4. **Feedback Systems:** Establishing an effective feedback mechanism to address customer grievances promptly and improve service quality can enhance customer satisfaction and loyalty.

Suggestion for further studies

1. **Broader Scope:** Future research could extend to multiple branches or other banks in Nigeria to provide a more comprehensive understanding of online banking perceptions.

2. Longitudinal Analysis: A longitudinal study tracking changes in customer perceptions over time would offer deeper insights into the evolving dynamics of trust and service guarantees.
3. Inclusion of Additional Variables: Exploring other factors such as user experience, digital literacy, and cultural influences could provide a more holistic view of customer perceptions.
4. Qualitative Approaches: Incorporating qualitative methods, such as interviews and focus groups, could uncover nuanced insights into customer attitudes and expectations.
5. Comparative Studies: Comparative research between traditional and online banking service perceptions could help identify key areas for improvement and innovation.

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ASSESSING GOVERNMENT CONTRIBUTION TOMSMEs GROWTH IN MAIDUGURI METROPOLIS, NIGERIA

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Abstract

This study examines the impact of government contribution to the development of entrepreneurship in micro, small and medium enterprises in Maiduguri metropolis, Borno State, with particular reference to some entrepreneurs operating medium enterprises in North east, Nigeria. The main aim of the study is to ascertain the effect of government contributions towards the development of entrepreneurship in Maiduguri metropolis. The study is anchored on contingency theory and Resources-Based Entrepreneurship Theories. Relevant literatures were reviewed taking cognizance of the problem and the hypotheses of the study. The study adopted descriptive survey research method and data were analyzed using Chisquare statistical tools. The population of the study is made up of 1,200 selected entrepreneurs and owners of medium, small-scale enterprises in Maiduguri metropolis, Nigeria, while the sample size consists of 300 entrepreneurs of medium and small-scale enterprise in Maiduguri metropolis. Taro Yamane's formular was used to obtain the sample size. The findings from the study shows that entrepreneurship activities contribute to economic development in the region. Therefore, government policies should be streamlined towards its targeted goal. The study recommends that government should formulate and implement policies that will facilitate growth and development of entrepreneurship as well as governance and proper management of finance to ensure sustainability.

Keywords:

Entrepreneurship,
development, Government,
Medium and small-scale
Enterprise.

1.Introduction

It is widely accepted that, micro, small, medium enterprises (MSME) are able to alleviate poverty through their capacities in creating job opportunities and employment. It is also reported that MSMEs are able to stabilize the economic turbulence in many of the countries during the recent economic crises. MSMEs are sub-sectors of the industrial sector which play crucial roles in industrial development. In addition, new business startups and the expansion of MSMEs can increase wealth benefit and income through their ability to create new markets, new industries, new technology, new jobs and net increase in real productivity and assist to reduce poverty level in countries. For example, in India, Micro and Small Enterprises play a pivotal role in the overall industrial economy of the country. Estimates report in terms of value, the sector account for about 39% of the manufacturing sector and about 33% of the total export of the country (Al- mamaari 2023).

Ayambila (2023) noted that number(s) of MSMEs operating in any economy has increased tremendously in recent times; therefore, they are considered as an economy's growth engine. These enterprises have emerged as

significant sources of employment, contributing to a reduction in high unemployment rates and addressing economic stagnation. Additionally, they promote socio-economic stability and enhance the overall living standards of the population.

Micro, Small, and Medium Enterprises (MSMEs) have become a strategically significant sector for any economy (Kale, 2019). Micro, Small, and Medium Enterprises (MSMEs) positively influence state, regional, national, and international economies by enhancing competitive environments. They encourage development and flexible opportunities to emerging technologies and meeting current market demands. MSMEs effectively occupy niche market segments that are often unprofitable for larger enterprises, respond quickly to local needs, and efficiently utilize local resources to capitalize on available opportunities. The MSMEs sector contributes in ensuring balanced economic success and social growth based on their ages and sizes (Kale, 2019).

Entrepreneurship is viewed as key driver of economic growth. Many countries have successfully strengthened and transformed the entrepreneurship sub-sector into a dynamic and thriving industry. This transformation has significantly reduced unemployment levels due to the substantial contributions of the sub-sector to economic growth and development (Newo, 2023). Entrepreneurship is strongly linked to small and medium sized enterprises (SMEs), which are the main developing force of the developed market economies (Kulmie, 2023) that provides the spring board for industrial development and economic growth.

Several programs have been developed to address Nigeria's economic challenges, particularly following the implementation of economic reform initiatives in the country., (Structural Adjustment Programme SAP) in 1986, there has been a decisive shift of emphasis from the grandiose, capital intensive, large-scale enterprises to SMEs. The objective has been to develop domestic linkages for rapid, sustainable industrial development (Amadi, 2018). In addition to their potential for enhancing self-reliant, industrial development, raw materials, (MSMEs) create more employment opportunities per unit of investment. They also promote balanced industrial growth, extending benefits to rural areas (Agwu, 2014). Consequently, governments at all levels in Nigeria are stepping up efforts in promoting the development of MSMEs through increased establishment of schemes that render financial and technical assistances to entrepreneurs. A key objective of the economic development strategies implemented by successive Nigerian governments has been to reduce poverty through job creation, a strategy that is also widely adopted by other nations.

Insecurity, insurgency, underdevelopment and many more challenges in Nigeria particularly in the North east, created a hostile environment that is unfavourable to entrepreneurial success. The lack of infrastructure development limits entrepreneurial effectiveness in the state and is a barrier to success (Yusuf & Kawuwa, 2014). The research intends to examine the extent of credit facilities granted by government and other financial institutions towards MSMEs in Maiduguri metropolis.

2. Literature Review

2.1. Entrepreneur and Entrepreneurship

The concept of entrepreneurship evolved naturally over the years. The first economist to have used the term entrepreneurship was Richard Cantillon, a French economist of Irish descent (Holt, 1998). Cantillon is credited with giving the concept of entrepreneurship a central role in economics. Cantillon defined an entrepreneur as an individual who purchases a product at a fixed price and resells it at an uncertain price. In doing so, the entrepreneur makes decisions about acquiring and utilizing resources, while also assuming the risks associated with the enterprise. (Holt, 1998). However, an entrepreneurship success is a function of the ability of an

entrepreneur to see opportunities in the marketplace, initiate change and creates value through solutions. It is known as the capacity and attitude of a person or group of persons to undertake ventures with the probability of success or failure.

On the other hand, Gartner (1989) describes „entrepreneurship“ as the process of identifying new opportunities and transferring them into marketable ideas, products and services to the creation of an organization. He (Gartner) purported that exploring what entrepreneurs do when embarking on the creation of organizations, not only adds greatly to our knowledge of entrepreneurship but to comprehending the individual behind this behaviour. Harraf, (2021) defines entrepreneurship as "the process of assembling necessary factors of production consisting of human, physical, and information resources and doing so in an efficient manner" and entrepreneurs as those who "put people together in particular ways and combine them with physical capital and ideas to create a new product or to produce an existing. Kim (2022) describes entrepreneurship as a factor of production, linked to innovation and risk taking, where entrepreneurial compensations are tied to uncertainty and profits.

An entrepreneur is an individual who gathers the factors of production and combines them to create a product. Entrepreneurship is the process of generating value by assembling a unique set of resources to seize an opportunity. In this context, the entrepreneur is seen as someone who creates new combinations of production factors, such as innovative production methods, products, markets, supply sources, or organizational structures. Alternatively, the entrepreneur is viewed as someone willing to take risks, or an individual who, by capitalizing on market opportunities, helps balance supply and demand. Ultimately, the entrepreneur is also someone who owns and operates a business. (Vatavu et al, 2022).

2.2. Concept of MSMEs

The definition of small enterprises varies from the economic situation of one country to another. This variation exists even between different states and institutions. Ajose (2010) has defined small and medium enterprises as an enterprise that has an asset base (excluding land) of between 5 million naira and 500 million naira and labour force of between 11 and 300 in its employ. The National Economic Reconstruction Fund (NERFUND) puts the amount as not exceeding 10 million naira while the section 376 (2) of the companies and Allied Matters Act of 1990, defines it as one with an annual turnover of not more than 2 million naira and a net asset of not more than 1 million naira.

Many factors and conditions such as turnover, employee size, varies per context, scholars, and countries influences the classification of MSME (Gelchu, 2023). Other indices such as business characteristics, including the size of the capital, investment, number of employees, turnover, management behaviour, location, and market share may determine their classification as well, but mostly used indicators includes the number of employees in the enterprise (Ayambila, 2023). In Nigeria, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2017) defined micro, small and medium enterprises as follows: (a) Micro Enterprise is any enterprise employing between one to nine people and having a capital base from one naira to ₦5 million excluding the cost of land. (b) Small enterprises employ between 10 and 49 employees and having a capital base from ₦5 million to ₦50 million so once a business is within that confine, it is running a small enterprise. (c) Medium Enterprise is any enterprise that employs from 50 to 199 employees and has a capital base from ₦50 million to ₦500 million. If a business is within that confine, it is running a medium enterprise and if it has anything above that, it is a large enterprise or a multinational as the case may be.

Government Entrepreneurship Development Programmes

Amadi (2018) revealed that the role of government in entrepreneurship development in Nigeria became significant only after the Nigeria civil war (1967-70). Since the mid-1980s there has been an increased commitment of government to entrepreneurship development especially after the introduction of the Structural Adjustment Program (SAP) in 1986. Added to this the establishment of the National Directorate of Employment (NDE), National Open Apprenticeship Scheme (NOAS) and, the Small and Medium Enterprise Development Association of Nigeria (SMEDAN) (Adelekan et al., 2016). The Nigerian government encourages an entrepreneurial culture through initiatives aimed at boosting business confidence, promoting a positive attitude, and instilling pride in success. These efforts also support and encourage new ideas, emphasize social responsibility, provide technological assistance, promote inter-firm linkages, and encourage research and development.

2.3. Contributions of Government and other Financial Institution in Entrepreneurship Development in Nigeria

Financial Interventions Agwu (2014) It is pointed out that since independence, every Nigerian administration has recognized the promotion of small and medium-scale enterprises as a fundamental element of economic progress.. Hence, different efforts have been made by successive government in the area of promoting entrepreneurship and developing the SMEs sector. In this respect, government has contributed through policy, technical/infrastructural and financial supports (Al-maamari, 2023). Among major constraints facing SMEs development globally is access to finance(Mamudu, 2022). In recognition of this, several financial institutions in charge of microcredit and policy instruments such as Nigeria Agricultural Co-operative and Rural Development Bank (NACRDB), Nigerian Bank for Commerce and Industry (NBCI), National Economic Reconstruction Fund (NERFUND) all defunct, Bank of Industry (BoI) among others were established to provide financial facilitates for the expansion of SMEs(Agwu, 2014). Accordingly, government financial incentives are in three major categories:

- a. Seed-capital Grants: Both government and non-governmental organizations occasionally provide grants to aspiring entrepreneurs to help them start small businesses(Akawu, 2018). This allowance is provided by the government or an organization to assist in the creation of small businesses within the country. In Nigeria, seed capital grants are offered through various entrepreneurial development platforms, involving both government and private sectors. Corporate organizations award seed capital grants to both indigenous and multinational enterprises as part of SME development initiatives. Additionally, state and local governments distribute seed capital grants through their various youth empowerment programs.
- b. Soft Loan: the federal government through the Central Bank of Nigeria and Bank of Industry under the platform of SMEs promotion and youth entrepreneurship development made a provision for soft loans with single percentage interest rate (CBN, 2013). A typical example of this arrangement is the N220billion Micro, Small and Medium Enterprises (MSME) Development Fund recently launched by the CBN. The aim of the fund is to provide wholesale credit at 3 percent interest to financial institutions, for onward lending to MSMEs at 9 percent interest over a maximum period of five years.
- c. Special Loan: This is a facility given to the entrepreneur with obligation to pay the sum and accrued interest at an agreed date under special terms and conditions (Yusuf & Kawuwa, 2014). Special loans are typically provided through public-private partnership arrangements. These loans often involve international financial institutions, such as the World Bank, African Development Bank, International Finance Corporation, or

non-governmental organizations. e.g. Asante Africa Foundation, African Leadership Foundation, MTN Foundation, Tony Elumelu Foundation etc. According to Sahaf (2021) special loan is not accessible as other forms of loan as the awarding party may endure that the intending awardees undergo certain training and development programmes before the award of such grants.

Financing Entrepreneurship in Nigeria

It is important to ask this cogent question as it relates to an entrepreneur. Where does an entrepreneur go to obtain the needed finance? The source of finance can be categorized into three distinct classifications, namely, short-, medium- and long-term (Zindiye et al., 2012) while according to (Kale, 2019), source of finance can be classified into two, that is short and long term. In actual sense, what a business requires is finance but not the class of finance. However, appreciating the class of needs is as crucial as the need itself. Knowing the class will go a long way to ease the accessibility of needed finance. The source could also be viewed by nomenclature of the provider e.g. Financial Institutions, Financial Institution and government support agencies/institutions. In Nigeria, both classifications abound and so also the instruments designed in all the classifications. There are arrays of traditional and technical specialized sources of finance in Nigeria. The most potent is the entrepreneur personal savings. It is most often found to be the take-off (initial) capital. This source is largely found to be inadequate for promotion of expansive enterprise to meet those needs. This research work prefers to analyse these sources without technical reference to either short or long especially at this stage. These sources are as follows:

- (i) **Trade Credit:** Suppliers could be a veritable source of finance through granting of short-term delay payment of supplies. It is the practice of buying goods now and paying for them at a future date (Ekong & Ibok, 2023). This is a low-cost form of financing, as it carries no conditions other than the supplier's confidence in the arrangement.
- (ii) **Customers/Clients Advance Payment:** Sometimes, financing may come from customers, who provide funds in advance of the production and delivery of goods to their stores. This arrangement can be particularly helpful in meeting the working capital needs of entrepreneurs, without incurring any cost. Ekong & Ibok (2023) captured the importance of this when they submitted that —leveraging customers advance payment ahead of bank funds to survive the early stages, and manage to get to point where they can raise it (funds) externally is a crucial and effortless means of obtaining needed funding hence advance payments by various clients could be a crucial source of finance but this also depends on the market structure where the entrepreneur operates.
- (iii) **Overdraft:** This is a special agreement between an entrepreneur and their bank that allows the entrepreneur to overdraw their current account. Under this arrangement, the account can be overdrawn at any time during the facility period but must return to a positive balance by the end of the agreed period. It is easier to obtain and more cost-effective than a traditional loan, as interest is only charged on the actual overdrawn amount and for the specific number of days the account remains overdrawn. While this arrangement is beneficial, all lending principles must be followed before the entrepreneur can access the funds.
- (iv) **Bankers Acceptance:** When a banker is unwilling to provide direct short-term credit but believes the entrepreneur's lending proposal is viable, they may assist by facilitating the discounting of an accepted bill of exchange in the money market. This bill typically arises from normal trading activities with the entrepreneur's customer, who has received goods but will make payment at a later date. The entrepreneur draws a bill on the customer, and once the customer accepts it, the entrepreneur can approach the bank

for immediate cash assistance, either directly from the bank or through other sources in the money market, using the bill as collateral. In this case, the bill serves not only as collateral but also as the primary source of the credit facility.

- (v) Bank Loan: This is a term credit facility provided to an entrepreneur by their bank to finance a specific business need, with a defined repayment schedule that may extend beyond twelve months. Typically, banks assess all loan or advance proposals based on established lending principles.
- (vi) Hire Purchase: Hire purchase is an arrangement used when equipment, such as heavy machinery or tractors, is needed for production, but the bank is unwilling to finance the purchase. In this case, the equipment can be acquired through a hire purchase agreement. The vendor sells and delivers the equipment for the entrepreneur's use, with payments made. Ownership of the equipment remains with the vendor until the final is paid, but the entrepreneur has possession of the equipment during the payment period. While this method may be more expensive than other financing options, it can be the most suitable choice depending on the timing of the need.

2.4. Empirical Review

Okpara (2011) examined the factors that obstruct the growth and survival of small businesses in Nigeria. He used a survey method to gather data from 211 small business owners and managers located in selected cities in Nigeria. He conducted several statistical analyses to identify the factors constraining the growth and survival of SMEs in Nigeria. He found that the most common constraints obstructing small business growth and survival in Nigeria are lack of financial support, poor management, corruption, lack of training and experience, poor infrastructure, insufficient profits, and low demand for product and services.

Mshenga and Richardson (2012) examined micro and small enterprise (MSE) contribution in tourism and the linkages between tourism businesses and MSEs in the coastal region of Kenya. They collected data by using structured questionnaire from two surveys involving 449 MSEs and 49 hotels. They used Tobit regression model to estimate the determinants of MSE participation in tourism, as well as the proportion of products purchased by hotels from MSEs. They found that older, larger MSEs and those that were members of associations were more likely to participate in tourism. They also found that the elements of hotel procurement from MSEs included age of the hotel, bed capacity, and management characteristics.

Ogundele, and Akingbade, (2012) investigate the intensity of entrepreneurship training and education as strategic tools for poverty alleviation in Nigeria. They select 250 entrepreneurs from five recognized local government areas Lagos state of South Western Nigeria. They used stratified random sampling technique through a self-monitored questionnaire survey and simple regression analysis was used to test the relationship between the entrepreneurship training and education and poverty alleviation. They found that entrepreneurship training and education were significantly related to the youth empowerment and social welfare services. They also found that youth empowerment was influenced by their acquired technical skill. They recommend that effective technical education, youth empowerment, and social welfare service as a catalyst for poverty alleviation.

2.4. Theoretical Framework

Contingency Theory: Resource-based theorists have developed certain characteristics of assets that generate sustained competitive advantage, naming them as strategic assets. The contingency theory was proposed by Fred Edward Fiedler in 1964. Also, The RBV of the firm predicts that certain types of resources, SMEs owns and controls have the potential and promise to generate competitive advantage, which eventually leads to superior

firm performance. Resource-based view viewpoint, different cases of companies functioning in different situations require different government policy. SMEs need to research and use their knowledge resources in society to enhance their organizational performance in a competitive environment. The performance of SMEs can vary with the selection of state policy adopted. The Government policy is usually effective for companies involved in high volume products. This study tries to examine the influence of government policy variable on the performances of SMEs.

3. METHODOLOGY

Reliability of the Instrument: The reliability of the instrument was ascertained through the test-retest method. In doing this, the instrument was administered to the sample of the study and the responses collected. After an interval, the same instrument was re-administered to the sample. The two responses were correlated using the Pearson's product moment techniques so as to guarantee the instruments reliability. The reliability of the instrument was ascertained at 0.8 which means that the instrument is reliable.

Sample and Sampling Technique: The sample size consists of 300 entrepreneurs MSMEs in Maiduguri metropolis. Taro Yamane's formula was used to obtain the sample size.

Instrument of the Study: The major instrument used in this research work is the questionnaire. The questionnaire was open-ended in nature and was structured in such a way that the respondents will have a clear understanding of the questions.

Method of Data Analysis: The need to enhance easy comprehension and analysis prompted the use of the frequency distribution table to present the data gathered. The tools used in analyzing the data collected include tables and simple percentages. In analyzing the hypothesis, Chi-square was used. If the calculated Chi-square X^2 is greater than the critical value X^2_t , the null hypothesis is rejected given room for the acceptability of the alternative hypothesis. But if the calculated Chi-square is less than the critical value, the null hypothesis will be accepted while the alternative hypothesis will be rejected.

4. Result and Discussion

4.1. Question One: What is the extent of credit facilities granted by government and other financial institution and its effect on entrepreneurship development in Maiduguri metropolis, Borno state?

Table 1: Determination of credit facilities granted by government and its effect on entrepreneurship development

S/N	STATEMENT	SD	D	N	A	SA	TOTAL
1.	Do credit facilities granted by government and financial institution promote entrepreneurship in Maiduguri metropolis, Borno state, Nigeria?	19 6.6%	22 7.7%	49 17.1%	103 35.9%	94 32.5%	287 100%
2.	Credit facilities granted by government and other financial help in reducing unemployment and encourage self reliant?	3 1.0%	5 1.7%	39 13.6%	73 25.4%	167 58.2%	287 100%
3.	Credit facilities issued by and financial institution contribute to economic development and a fertile ground for SMEs to prosper?	4 1.4%	6 2.1%	19 6.6%	158 55.1%	100 34.8%	287 100%
4.	Credit facilities offer by government and financial institution encourages economic diversification?	4 1.4%	4 1.4%	30 10.5%	98 34.1%	151 52.6%	287 100%

Source: Field Survey 2025

Greater percentage 6.6% of respondents strongly disagree that credit facilities granted by government and other financial institutions have significant effect on entrepreneurial development in Maiduguri metropolis, Borno state, while 7.7% of respondents disagreed, 17.1% were neither or believe on the above statement, 35.9% agreed and 32.5% strongly agreed to the statement.

4.2. Table 2: Question Two: Do government entrepreneurial development strategies improve MSMEs in Maiduguri metropolis, Borno state?

SN	STATEMENT	SD	D	N	A	SA	TOTAL
5	Do government entrepreneurship development strategies improve MSMEs in Maiduguri metropolis, Borno state?	17 5.9%	68 23.7%	51 17.8%	73 25.4%	78 27.8%	287 100%
6	Small enterprise and government entrepreneurial development have relationship with employment generation?	39 13.6%	41 14.3%	28 9.8%	81 28.2%	98 34.1%	287 100%
7	Entrepreneurial development can bring about development of the state and increase generation of revenue to MSMEs?	31 10.8%	37 12.9%	80 27.9%	74 25.8%	65 22.6%	287 100%
8	Entrepreneurship development in the state have relationship with entrepreneurship skills?	24 8.4%	55 19.2%	84 29.3%	50 17.4%	74 25.8%	287 100%

Field Survey 2025

Respondents view on how government entrepreneurship development strategies improve MSMEs. About 5.9% of the respondents strongly disagreed that entrepreneurship development strategies by government have positive effect in the areas of MSMEs development. Whereas 23.7% disagreed, 17.8% were neither here nor there (neutral), 25.4% agreed, while 27.8% strongly agreed with the statement.

4.3. Table 3: Hypothesis One: Respondents' opinion on the extent of credit facilities granted by government and other financial institution on entrepreneurship development in Maiduguri metropolis, Borno state, Nigeria⁴

QUESTION	SD	D	N	A	SA		TOTAL
1	19	22	49	103	94		287
2	3	5	39	73	167		287
3	4	6	19	158	100		287
4	4	4	30	98	151		287
Column Total	30	37	137	432	512		1,148

Field Survey 2025

Table 4.3 above present respondents' opinion on the extent of credit facilities granted by government and other financial institution towards entrepreneurship development in Maiduguri metropolis, Borno state, Nigeria. Majority of the respondents (both strongly agree and agree) responses of about 82.2% are of the view that credit facilities granted by government and other financial institution are of immense benefit to entrepreneurs and MSEs operators in Maiduguri metropolis. While very few of about 5.8% of respondents are on opposing side and 11.9% were neutral.

Test of Hypothesis Two:

4.4: Table 4: Government entrepreneurial development strategies have not significantly improved MSMEs in Maiduguri metropolis, Borno state.

H1: Government entrepreneurial development strategies have not significantly improved MSMEs in Maiduguri metropolis, Borno state.

QUESTION	SD	D	N	A	SA	ROW TOTAL
5	17	68	51	73	78	287
6	39	41	28	81	98	287
7	31	37	80	74	65	287
8	24	55	84	50	74	287
Column Total	111	201	243	278	315	1,148

Field Survey 2025

Table 4.4 indicates that majority of the respondents believe that government entrepreneurial development strategies have significant effect on MSMEs operators in Maiduguri metropolis, Borno state.

Discussion of Results

Credit Facilities granted by Government and other Financial Institutions have effect on the Development of Entrepreneurship in Maiduguri metropolis 82.2% of the result from the analysis shows that credit facilities granted by government and other financial institutions has significant effect to the development of entrepreneurship in Maiduguri metropolis, Borno state Nigeria. Harraf, et al. (2021) analyzed the gains and pains of small and medium-scale enterprises (MSMEs) with focus on the way forward for entrepreneurship development in Nigeria using Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM). Their findings established a significant direct relationship between entrepreneurship development, infrastructure development and employment generation, as well as significant direct relationship between government policies and infrastructure development. Mohammed, (2019) attested that difficulty in gaining access to bank credit and other financial institutions proved to be a major setback for entrepreneurship development in many nations. This also corroborates with the study of Abebe, (2021) pointed that obstacles hindering the process of entrepreneurship development if properly addressed may motivate people to start up their own business. The key roles of entrepreneurs include mobilization of domestic savings for investment, significant contribution to Gross Domestic Product (GDP) and Gross National Income (GNI), harnessing of local raw materials, employment creation, poverty reduction and alleviation, enhancement in standard of living, increase in per capita Income, skills acquisition, advancement in technology and expert growth and diversification all these can be achieved once the financial resources are provided by government and other financial institutions as a means to empower entrepreneurs in the state to start up their own business or to expand an existing business venture.

5. Conclusion

The findings from the analysis reveals that credit facilities granted by government and other financial institutions has significant effect to the development of entrepreneurship in Maiduguri metropolis, Borno state Nigeria. Many micro, small, and medium-sized enterprises (MSMEs) may need help gaining access to the capital when they need to launch or expand their operations. Alternative funding sources, such as crowdfunding, donations, or collaboration with financial institution, are feasible solutions. Many MSMEs are owned and operated by individuals with limited business expertise or education. One way to build these talents is to seek out training and mentoring opportunities. MSMEs may need help affording or gaining access to the technology and infrastructure required to compete with larger companies. One potential option is obtaining resources and support from local or national business development groups that can assist with these obstacles.

5.1. Recommendations

Having analysed the effect of government contribution towards the development of entrepreneurship in Nigeria: A study of selected MSMEs in Maiduguri metropolis, Borno state Nigeria, the following recommendation if carefully applied will help improve and in kicking entrepreneurs to a better performance. Thus, the following are

recommended:

- a) Deposit money banks should establish more branches in the rural areas of Nigeria to create more savings opportunity for both old and new MSMEs operating in such area to have high savings, where parts of the savings can be used to finance their new and expand existing MSMEs in the rural communities of Nigeria.
- b) Monetary authorities should encourage a single digit lending interest rate policies in Nigeria to encourage new and potential MSMEs investors to take loans to finance MSMEs in Nigeria.
- c) Entrepreneurs should increase the funding of their MSMEs business to enhance quality output of MSMEs towards the sustainability of economic growth in Nigeria.
- d) Government should establishment government owned MSMEs in Nigeria as this will lead to inflation reduction and unemployment decline and thereby increase employment opportunity for her citizens as well as boost economic growth and development in Nigeria.

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