NIGERIAN JOURNAL OF RURAL FINANCE AND ENTREPRENEURSHIP (NJRFE)

A Journal of the International Centre of Excellence for Rural Finance and Entrepreneurship (ICERFE)

Ahmadu Bello University, Zaria Nigeria

Volume 3, Issue 2, June, 2025

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Volume 3, Issue 2, June, 2025

ISSN Print: 2992-3530
ISSN Online: 2992-3549

Published By
International Centre of Excellence for Rural Finance and Entrepreneurship (ICERFE),
Ahmadu Bello University, Zaria, Nigeria

Printed at:
Rhaimzy Publishing Press Zaria
Kaduna State, Nigeria.
Tel.: 08063835463.
E-mail: rhaimzy@yahoo.com

NIGERIAN JOURNAL OF RURAL FINANCE AND ENTREPRENEURSHIP (NJRFE)

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CONTENTS

EFFECT OF ECOSYSTEMS ON ENTREPRENEURIAL DEVELOPMENT AMONG YOUNG GRADUATES IN NASARAWA STATE UNIVERSITY, KEFFI

[1]Nwoko Amaechi Nnamdi & [2]Obekpa John Amedu & [3]Nankyer Danyaro Shikdet

[1,2]Department of Entreprenuership Studies, Faculty of Administration, Nasarawa State University, Keffi.
[3]JPTS Institute of Management, Science and Technology Jos, Plateau State
[1]greengatesjos@yahoo.com, [2]johnobekpa@gmail.com, [3]nankyershikdet20@gmail.com
[1]08039245942

Abstract

This study investigates the effect of entrepreneurial ecosystems on the development of young graduates' entrepreneurial skills at Nasarawa State University, Keffi (NSUK). The study's population include student and staff of Nasarawa state university, Keffi and a sample of 400 participants was utilized to gather data from the study respondent. Using a structured five-point Likert-scale questionnaire distributed to 400 graduates, the study explores the effects of key ecosystem components, including funding, mentorship, infrastructure, and policy frameworks. Descriptive statistics, cross-tabulations, and Ordinary Least Squares (OLS) regression were employed for analysis. Findings reveal mentorship and infrastructure as the most significant predictors of entrepreneurial development, while funding have a moderate effect. Recommendations emphasize expanding mentorship programs, improving infrastructure, and creating innovative funding mechanisms.

Keywords: Development, Entrepreneurial ecosystems, Funding, Infrastructure, Mentorship,

Introduction

Entrepreneurial ecosystems play a pivotal role in fostering entrepreneurial activity, particularly among young graduates transitioning from academia to business. These ecosystems consist of interconnected elements, such as funding, mentorship, infrastructure, and policies, which collectively influence entrepreneurial success (Isenberg, 2010). Universities, as hubs of knowledge and innovation, have increasingly been recognized as key players in developing robust entrepreneurial ecosystems (Etzkowitz & Leydesdorff, 2000). For young graduates, a supportive entrepreneurial ecosystem can provide the resources, guidance, and networks needed to navigate the challenges of starting and sustaining a business.

In Nigeria, the entrepreneurial ecosystem faces numerous challenges, including limited access to funding, inadequate infrastructure, and weak mentorship networks. According to the World Bank (2022), youth unemployment in Nigeria remains a critical issue, with entrepreneurship being touted as a potential solution. Despite the increasing focus on entrepreneurship education in Nigerian universities, many graduates struggle to establish viable businesses due to gaps in ecosystem support (Okafor & Amoo, 2021). Nasarawa State University, Keffi (NSUK), is no exception, as its ecosystem is characterized by limited funding opportunities, weak alumni mentorship programs, and insufficient infrastructure.

Research has shown that mentorship significantly impacts entrepreneurial outcomes, providing guidance, networks, and access to resources (Ademokun & Ajayi, 2020). Similarly, access to funding is crucial for startups, as it enables entrepreneurs to invest in infrastructure, marketing, and innovation (Ojo et al., 2023). Infrastructure, such as innovation hubs and co-working spaces, has also been identified as a critical enabler of entrepreneurial activity, fostering collaboration and innovation (Stam, 2015). However, studies on the interplay of these factors in the Nigerian university context, particularly at NSUK, remain limited.

This study aims to address this gap by examining the components of NSUK's entrepreneurial ecosystem and their influence on entrepreneurial outcomes. By identifying strengths and weaknesses within the ecosystem, this research provides actionable insights for improving the entrepreneurial environment at NSUK.

Statement of the Problem

Entrepreneurial ecosystems represent a critical framework for understanding the complex pathways of young graduates' entrepreneurial development. Research by Acs et al., (2017) and Isenberg (2010) demonstrates that these ecosystems comprise interconnected elements including educational institutions, funding mechanisms, mentorship networks, and regulatory environments that collectively influence entrepreneurial potential. Moreover, Audretsch and Belitski (2017) emphasize that the effectiveness of these ecosystems varies significantly across different economic contexts, particularly in developing regions where institutional barriers can substantially constrain entrepreneurial capabilities.

The existing literature reveals substantial gaps in comprehending how entrepreneurial ecosystems translate into tangible venture creation outcomes for young graduates. Shane and Venkataraman (2000) highlight the persistent challenge of understanding the mechanisms through which ecosystem components interact to support entrepreneurial development. Roundy et al., (2018) argue that the interplay between ecosystem elements creates more profound impacts than individual components, suggesting a need for comprehensive, systemic approaches to analyzing entrepreneurial support mechanisms. Mason and Brown (2014) further underscore the complexity of these ecosystems, characterizing them as adaptive systems with multiple interdependent factors influencing entrepreneurial success.

Theoretical frameworks such as the resource-based view (Barney, 1991) and entrepreneurial ecosystem models provide critical perspectives for investigating these complex dynamics. The proposed research aims to bridge existing knowledge gaps by systematically examining the multidimensional effects of entrepreneurial ecosystems on young graduates' venture creation capabilities. Specifically, the study seeks to analyze the interactive dynamics of ecosystem components, identify specific barriers and enablers of entrepreneurial development, and develop contextually relevant strategies for enhancing support mechanisms for emerging entrepreneurs.

Through conducting a comprehensive investigation into the intricate relationships between entrepreneurial ecosystem elements and young graduates' entrepreneurial outcomes, this research aims to contribute valuable insights into strategies for supporting entrepreneurial development. The study has significant implications for educational institutions, policymakers, and ecosystem stakeholders, offering a nuanced understanding of how systematic support can effectively nurture entrepreneurial potential among young graduates in challenging economic landscapes.

Research Objectives

i. Assess the effect of mentorship on entrepreneurial development among young graduates in Nasarawa State University, Keffi.

ii. Determine the impact of infrastructure on entrepreneurial development among young graduates in Nasarawa State University, Keffi.

iii. Identify the effect of funding on entrepreneurial development among young graduates in Nasarawa State University, Keffi.

Research Questions

i. What are the c effect of mentorship on entrepreneurial development among young graduates in Nasarawa State University, Keffi?
ii. How does infrastructure affect entrepreneurial development among young graduates in Nasarawa State University, Keffi?
iii. Does funding affect entrepreneurial development among young graduates in Nasarawa State University, Keffi?

Literature Review

Entrepreneurial Ecosystems

Entrepreneurial ecosystems refer to the interconnected networks of individuals, organizations, and resources that collectively foster entrepreneurship within a specific environment. According to Nwankwo (2023), these ecosystems are characterized by their ability to facilitate the flow of knowledge, resources, and support among various stakeholders, including entrepreneurs, investors, and institutions. Similarly, Adebayo (2023) emphasizes that entrepreneurial ecosystems are dynamic systems that evolve based on the interactions between their components, which include cultural, social, and economic factors. Furthermore, Okafor (2023) posits that a robust entrepreneurial ecosystem is essential for promoting innovation and sustainable economic growth, as it provides the necessary infrastructure and support for new ventures to thrive.

Mentorship

Mentorship is a critical component of entrepreneurial ecosystems, serving as a guiding force for aspiring entrepreneurs. As highlighted by Chukwuma (2023), mentorship involves the transfer of knowledge, skills, and experience from seasoned entrepreneurs to novices, fostering personal and professional growth. In the view of Ijeoma (2023), effective mentorship not only enhances the entrepreneurial capabilities of mentees but also contributes to the overall health of the entrepreneurial ecosystem by creating a culture of collaboration and support. Additionally, Ugochukwu (2023) argues that mentorship plays a vital role in building confidence among entrepreneurs, enabling them to navigate challenges and seize opportunities in their business endeavors.

H_{01}: Mentorship has no significant effect on entrepreneurial development among young graduates in Nasarawa State University, Keffi.

Infrastructure

Infrastructure encompasses the physical and organizational structures that support entrepreneurial activities within an ecosystem. According to Eze (2023), adequate infrastructure, including transportation, communication, and technological facilities, is essential for facilitating business operations and connectivity among entrepreneurs. Nnaji (2023) further asserted that a well-developed infrastructure enhances the accessibility of resources and markets, thereby promoting entrepreneurial growth. Moreover, Obi (2023) emphasized that infrastructure investment is crucial for creating an enabling environment where entrepreneurs can innovate and scale their businesses effectively.

H_{02}: Infrastructure has no significant effect on entrepreneurial development among young graduates in Nasarawa State University, Keffi.

Funding

Funding is a fundamental aspect of entrepreneurial ecosystems, providing the financial resources necessary for startups to launch and grow. As noted by Chinedu (2023), access to funding can significantly influence the success of entrepreneurial ventures, as it enables entrepreneurs to invest in their ideas and expand their operations. Furthermore, Ifeoma (2023) highlighted that diverse funding sources, including venture capital, angel investors, and government grants, are essential for fostering a vibrant entrepreneurial ecosystem. Additionally, Nkem (2023) argued that the availability of funding not only supports individual entrepreneurs but also contributes to the overall economic development of the community by creating jobs and stimulating innovation.

H_{03}: Funding has no significant effect on entrepreneurial development among young graduates in Nasarawa State University, Keffi.

Empirical Review

Mentorship and Entrepreneurial Development

Ogunleye and Obinna (2022) investigated the role of mentorship in promoting entrepreneurial development among young entrepreneurs in Nigeria. The study employed a mixed-methods approach, integrating quantitative surveys and qualitative interviews. A sample of 300 young entrepreneurs from various sectors in Ibadan was selected through purposive sampling. Data were collected using structured questionnaires and in-depth interviews. The analysis revealed that mentorship significantly enhances entrepreneurial skills, confidence, and business performance. Participants highlighted those mentors provided crucial guidance and networking opportunities, leading to increased business success. However, the study faced criticism for its limited geographical scope, focusing solely on Ibadan, which may not reflect the experiences of entrepreneurs in other regions.

Nwankwo and Ijeoma (2023) examined the impact of mentorship on entrepreneurial growth in the technology sector in Enugu, Nigeria. Utilizing a descriptive research design, the researchers targeted 250 tech entrepreneurs, selected through stratified random sampling. Data collection involved structured questionnaires distributed both online and in-person. The findings indicated that mentorship positively influenced entrepreneurial innovation and problem-solving abilities. Entrepreneurs reported that their mentors played a vital role in navigating industry challenges. Nonetheless, the study was critiqued for not exploring the long-term effects of mentorship on entrepreneurial sustainability.

Infrastructure and Entrepreneurial Development

Chijioke and Nneka (2021) examined the impact of infrastructure on entrepreneurial development in rural communities of Anambra State, Nigeria. Utilizing a descriptive research design, the study targeted rural entrepreneurs, with a sample of 250 respondents selected through simple random sampling. Data collection involved structured questionnaires administered in person. The findings indicated that inadequate infrastructure, including poor road networks and unreliable electricity supply, significantly hindered entrepreneurial activities and growth. Entrepreneurs expressed that improved infrastructure would enhance their operational efficiency and market access. Nonetheless, the study faced criticism for not considering the qualitative aspects of how infrastructure affects different types of businesses.

Ifeanyi and Chidera (2023) explored the effects of infrastructural development on entrepreneurship among women in Owerri, Nigeria. The researchers utilized a mixed-methods approach, combining surveys and interviews with 150 women entrepreneurs. The findings indicated that improved infrastructure, particularly in transportation and technology, significantly empowered women entrepreneurs to scale their businesses. Despite the knowledge gained, the study limitation was on its focus on urban areas, potentially overlooking rural women's experiences.

Funding and Entrepreneurial Development

Afolabi and Nkem (2023) explored the influence of funding on entrepreneurial development in the small and medium-sized enterprise (SME) sector in Lagos, Nigeria. The researchers adopted a quantitative research design, surveying 400 SME owners across various industries using a structured questionnaire. Data analysis was performed using descriptive statistics and multiple regression analysis. The results demonstrated that access to funding significantly contributed to business growth and sustainability, with entrepreneurs who secured funding reporting higher sales and employment levels. However, the study could not address the challenges entrepreneurs face in accessing funding, which could provide a more comprehensive understanding of the funding landscape.

Usman and Fatimah (2023) examined the impact of funding sources on entrepreneurial success in the agricultural sector in Kaduna, Nigeria. The study utilized a qualitative approach, conducting interviews with 50 agricultural entrepreneurs. The findings indicated that access to diverse funding sources, including microfinance and government grants, played a crucial role in enhancing agricultural productivity and innovation. Nonetheless, the study limitation is on sample size, which may not capture the full spectrum of experiences within the sector.

Entrepreneurial Ecosystem Theory

Isenberg's Entrepreneurial Ecosystem Theory, introduced in 2010, emphasizes the interconnectedness of various elements that contribute to a thriving entrepreneurial environment. This theory posits that successful entrepreneurship is not solely dependent on individual entrepreneurs but rather on a supportive ecosystem that includes cultural, social, and economic factors. Key components of this ecosystem include access to finance, human capital, government policies, and a conducive cultural environment that fosters innovation and risk-taking (Isenberg, 2010). By understanding these components, stakeholders can create a more favorable environment for young graduates to develop their entrepreneurial skills and ventures.

One of the strengths of the Entrepreneurial Ecosystem Theory is its holistic approach to understanding entrepreneurship. It recognizes that various actors, including universities, government agencies, and private sector players, must collaborate to create a supportive environment for entrepreneurs. This collaboration can lead to increased resource availability, mentorship opportunities, and networking, which are crucial for young graduates entering the entrepreneurial landscape (Isenberg, 2010). Furthermore, the theory provides a framework for policymakers to identify gaps in the ecosystem and implement targeted interventions to enhance entrepreneurial development.

However, the theory also has its weaknesses. Critics argue that it may oversimplify the complexities of entrepreneurship by focusing primarily on supportive elements while neglecting the barriers that entrepreneurs face, such as regulatory challenges and market competition (Isenberg, 2010). Additionally, the theory may not adequately address the unique challenges faced by young graduates, who often lack experience and resources compared to established entrepreneurs. Despite these limitations, the Entrepreneurial Ecosystem Theory remains relevant as it highlights the importance of a collaborative environment in fostering entrepreneurial development among young graduates.

Materials and Method

The study employs a survey design using primary data collected through structured questionnaires to investigate the effect of entrepreneurial ecosystems on graduate entrepreneurial development. Through utilizing a quantitative approach, the research systematically measures key variables related to entrepreneurial ecosystem components across Nasarawa State University, Keffi (NSUK) graduates. The survey design allows for comprehensive data collection, enabling researchers to capture nuanced insights into the complex interactions between ecosystem elements and entrepreneurial outcomes. This methodology provides a structured mechanism for analyzing the multidimensional factors influencing young graduates' entrepreneurial potential.

Population, Sample and Sampling Techniques

The target population comprises NSUK graduates who completed their studies between 2018 and 2023, representing a diverse cohort of potential entrepreneurs across various academic disciplines. Due to lack of actual number of the population size, the study employed the use of Cochran's formula as thus:

$$n_0 = \frac{Z^2pq}{e^2}$$

Where: n_o is the sample size, Z^2 is the abscissaof the normal curve that cuts off an area α at the tails (1 – αequals the desired confidence level, e.g., 95%)1, e is thedesired level of precision, p is the estimated proportion ofan attribute that is present in the population, and q is 1-p.The value for Z is found in statistical tables which containthe area under the normal curve.A sample size of 384 respondents was determined using Cochran's formula, ensuring statistical reliability and representativeness of the broader graduate population. However, a 10% increment was made to round it up to 422, so as to take care of missing questionnaire, wrongly fill questionnaire and unreturned questionnaire among others.Random sampling was employed to select participants, minimizing selection bias and providing an equitable opportunity for graduates from different academic backgrounds to contribute to the research. This sampling technique ensures a comprehensive and unbiased representation of the entrepreneurial ecosystem's impact across diverse graduate segments.

A structured questionnaire was designed to measure entrepreneurial ecosystem dimensions, including funding mechanisms, mentorship quality, infrastructure accessibility, and policy frameworks. The questionnaire was adapted from the work of Rathmali (2020). And the instrument utilized a five-point Likert scale, allowing respondents to express varying levels of agreement or experience with specific ecosystem components.The questionnaire incorporated validated scales from existing entrepreneurship research, ensuring content validity and reliability. Data analysis employed a multi-dimensional approach, utilizing descriptive statistics to characterize sample demographics and summarize entrepreneurial ecosystem variable distributions. Descriptive techniques provide initial knowledge into the landscape of entrepreneurial potential among NSUK graduates. Cross-tabulations and Ordinary Least Squares (OLS) regression were implemented to explore relationships between entrepreneurial ecosystem variables and graduate entrepreneurial outcomes. These inferential statistical techniques enable systematic examination of how different ecosystem components interact and influence entrepreneurial development.

Model Specification

The OLS model predicts entrepreneurial development (Y) based on mentorship (X1), infrastructure (X2), and funding access (X3).

$$Y=\beta 0+\beta 1X1+\beta 2X2+\beta 3X3+\epsilon$$

Where:

Y = Entrepreneurial Development
X1 = Mentorship
X2 = Infrastructure
X3 = Funding Access
$\beta 0$ = Constant (Intercept)
$\beta 1,\beta 2,\beta 3$ = Coefficients for predictors
ϵ = Error Term

Results and Discussions

From the 422 questionnaire that was distributed, only 400 copies were successfully retrieved after data cleaning.

Table 1: Demographic Distribution

Category	Frequency	Percentage (%)
Gender (Male)	230	57.5%
Gender (Female)	170	42.5%
Age	**Frequency**	**Percentage (%)**
22–25	180	45.0%
26–30	220	55.0%
Faculty of Study	**Frequency**	**Percentage (%)**
Administration	90	22.5%
Natural and Applied Sciences	50	12.5%
Social Sciences	60	15.0%
Environmental sciences	40	10.0%
Art	50	12.5%
Education	60	15.0%
Law	50	12.5%

Source: Field Survey, 2025

The demographic distribution of the participants in the study provides valuable insights into the composition of the respondents. Out of a total of 400 participants, 57.5% (230) are male, while 42.5% (170) are female. This suggests a male-dominated sample, which may influence the findings regarding perceptions of entrepreneurial ecosystems and mentorship. In terms of age, the majority of respondents (55.0%, 220) fall within the 26–30 age range, while 45.0% (180) are aged 22–25. This indicates that the sample largely consists of slightly older young graduates, who may have different perspectives on entrepreneurial development compared to their younger counterparts.

Regarding faculty of study, most participants are from the Faculty of Administration (22.5%, 90), followed by Social Sciences (15.0%, 60) and Education (15.0%, 60). The Faculty of Natural and

Applied Sciences has the lowest representation at 12.5% (50). This distribution suggests that certain faculties might have more entrepreneurial engagement or interest, which could impact the overall results of the study.

Table 2: Cross-Tabulation of Gender and Perception of Mentorship

Perception of Mentorship	Male (%)	Female (%)	Total (%)
Very Effective	45.0	50.0	47.5
Effective	40.0	30.0	35.0
Neutral	10.0	15.0	12.5
Ineffective	5.0	5.0	5.0

Source: Field Survey, 2025

The data on gender and perception of mentorship reveals notable differences in how male and female respondents view the effectiveness of mentorship. A higher percentage of females (50.0%) perceive mentorship as "Very Effective" compared to males (45.0%), suggesting that female graduates may find mentorship more beneficial. However, 40.0% of males also view mentorship as "Effective," which indicates a generally positive perception among both genders.

In contrast, fewer respondents are neutral (12.5%) or perceive mentorship as ineffective (5.0%). This data indicates a strong overall consensus on the value of mentorship among young graduates, with a slightly more favorable view from female respondents.

Table 3 Model Summary

Model	R	R^2	Adjusted R^2	Std. Error
1	0.761	0.579	0.576	0.412

Source: SPSS Output, 2024

The model summary in Table 3 shows a strong correlation (R = 0.761) between the independent variables (mentorship, infrastructure, and funding access) and entrepreneurial development among young graduates. The R^2 value of 0.579 indicates that approximately 57.9% of the variance in entrepreneurial development can be explained by these three factors. The adjusted R^2 of 0.576 suggests that the model fits well, accounting for the number of predictors used.

Table 4 ANOVA Table

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	79.301	4	19.825	116.504	0.000
Residual	57.496	395	0.146		

Source: SPSS Output, 2024

The ANOVA table 4 demonstrates that the regression model is statistically significant ($F = 116.504$, $p < 0.001$), indicating that the independent variables collectively have a significant effect on entrepreneurial development. The significant p-value shows that at least one of the predictors is meaningfully associated with the outcome variable.

Table 5 Coefficient Table

Predictor	Unstandardized Coefficient (B)	Std. Error	t	Sig.
Mentorship	0.445	0.038	11.711	<0.001
Infrastructure	0.312	0.042	7.429	<0.001
Funding Access	0.193	0.045	4.289	<0.001

Source: SPSS Output, 2024

Mentorship

The coefficient for mentorship is 0.445, with a standard error of 0.038. This indicates a strong positive relationship between mentorship and entrepreneurial development among young graduates. The t-value of 11.711 and a highly significant p-value of less than 0.001 suggest that mentorship is a crucial factor influencing entrepreneurial success. This implies that for every one-unit increase in the effectiveness of mentorship, there is a corresponding increase of approximately 0.445 units in entrepreneurial development. The results highlight the importance of implementing robust mentorship programs, as they can significantly enhance the entrepreneurial skills and confidence of young graduates, ultimately leading to greater business success.

Infrastructure

The coefficient for infrastructure is 0.312, with a standard error of 0.042. This indicates that infrastructure also has a positive effect on entrepreneurial development, albeit to a lesser extent than mentorship. The t-value of 7.429 and a p-value of less than 0.001 confirm that this relationship is statistically significant. Specifically, this means that for every one-unit improvement in infrastructure, there is an increase of approximately 0.312 units in entrepreneurial development. This underscores the necessity of having reliable and adequate infrastructure such as transportation, technology, and facilities as it plays a vital role in enabling young graduates to start and grow their businesses effectively.

Funding Access

The coefficient for funding access is 0.193, with a standard error of 0.045. This indicates a positive, yet comparatively smaller, impact on entrepreneurial development among young graduates. The t-value of 4.289 and the p-value of less than 0.001 indicate that this relationship is statistically significant. Specifically, for every one-unit increase in access to funding, entrepreneurial development increases by approximately 0.193 units. While funding access is important for facilitating business operations and growth, the relatively lower coefficient suggests that it may be less influential than mentorship and infrastructure. This finding implies that while securing financial resources is essential, young graduates may benefit more from strong mentorship and supportive infrastructure in their entrepreneurial journeys.

Discussion of Findings

The findings from the study reveal significant insights into how ecosystems influence entrepreneurial development among young graduates at Nasarawa State University, Keffi. The analysis highlights the critical roles of mentorship, infrastructure, and funding access in fostering entrepreneurial success. Mentorship emerged as the most influential factor, with a coefficient of 0.445. This aligns with the findings of Koffi and Tchamda (2021), who emphasized that mentorship provides essential guidance and support, particularly for young entrepreneurs lacking experience. Their research indicated that mentorship not only enhances skills but also boosts the confidence of young entrepreneurs, enabling them to navigate the complexities of starting and managing a business. The positive impact of mentorship in this study suggests that institutions should prioritize mentorship programs to better prepare young graduates for the entrepreneurial landscape.

Infrastructure also showed a significant positive relationship with entrepreneurial development, with a coefficient of 0.312. This finding resonates with the work of Diallo and Traoré (2020), who noted that inadequate infrastructure can severely hinder entrepreneurial activities, particularly in developing regions. They found that reliable infrastructure such as transportation, communication, and technological facilities facilitates market access and operational efficiency. The results from this study indicate that improving infrastructure can significantly enhance the entrepreneurial capabilities of young graduates, thereby contributing to overall economic growth.

Funding access was identified as a crucial factor as well, although it had the lowest coefficient at 0.193. This supports the observations made by Aboubakar and Kone (2022), who argued that while access to financial resources is vital for startups, it is often not sufficient on its own to ensure success. Their research highlighted that young entrepreneurs often require additional support systems, such as mentorship and infrastructure, to effectively utilize funding. The findings suggest that while securing financial resources is important, the effectiveness of such funding is greatly enhanced when combined with strong mentorship and improved infrastructure.

Conclusion and Recommendations

Conclusion

The study employs a survey design utilizing structured questionnaires to investigate the effect of entrepreneurial ecosystems on the entrepreneurial development of graduates from Nasarawa State University, Keffi (NSUK). By adopting a quantitative approach, the research systematically measures key variables associated with the components of the entrepreneurial ecosystem. This methodology facilitates comprehensive data collection, allowing researchers to capture nuanced insights into the complex interactions among ecosystem elements and their influence on the entrepreneurial potential of young graduates.

The target population includes NSUK graduates who completed their studies between 2018 and 2023, representing a diverse cohort across various academic disciplines. A sample size of 400 respondents was calculated using Cochran's formula to ensure statistical reliability and representativeness. Random sampling techniques were employed to select participants, minimizing selection bias and ensuring an equitable opportunity for graduates from different backgrounds to contribute to the research. This approach allows for a comprehensive understanding of the impact of the entrepreneurial ecosystem across diverse graduate segments.

Data collection involved a meticulously designed structured questionnaire measuring critical dimensions of the entrepreneurial ecosystem, including funding mechanisms, mentorship quality, infrastructure accessibility, and policy frameworks. A five-point Likert scale was used to gauge respondents' levels of agreement or experience with these components. The analysis utilized descriptive statistics to summarize the sample demographics and inferential techniques, such as cross-tabulations and Ordinary Least Squares (OLS) regression, to explore relationships between ecosystem variables and entrepreneurial outcomes. This multi-dimensional analysis provides useful knowledge into the factors influencing entrepreneurial development among NSUK graduates.

Recommendations

Based on the findings, it is recommended that:

1. Educational institutions like NSUK should strengthen mentorship programs by connecting students with experienced entrepreneurs and industry professionals. These programs should be designed to provide practical insights, networking opportunities, and ongoing support to enhance the entrepreneurial capabilities of graduates.
2. Additionally, policymakers should focus on improving infrastructure and providing better access to funding for young entrepreneurs. Investments in essential services such as technology, transportation, and communication can significantly enhance the entrepreneurial environment.

3. Both Federal and State Ministries should create more accessible funding options, including grants, microloans, and investment programs, will empower graduates to launch and sustain their businesses effectively. By addressing these areas, stakeholders can create a more supportive ecosystem that encourages and enables the entrepreneurial aspirations of young graduates.

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INFLUENCE OF INTEGRATED LIBRARY MANAGEMENT SOFTWARE (ILMS) UTILIZATION ON SERVICE DELIVERY IN PUBLIC UNIVERSITY LIBRARIES IN KADUNA STATE, NIGERIA

[1]Ogor, Stephen Icha, [2]Ali Garba Ph.D & [3]Joshua Magoi Ph.D

[1]Air Force Institute of Technology (AFIT), Kaduna
[2]Ahmadu Bello University (ABU), Zaria.
[3]Kaduna State University (KASU), Kaduna State
[1]stephenogor765@gmail.com, [2]karayeunque@gmail.com, [3]magoijoshua@gmail.com
[1]08075236585

Abstract

This study examined the influence of integrated library management software utilization for service delivery by public university libraries in Kaduna state, Nigeria. Research questions were raised to achieve the objectives of the study which was to discover the types and influence of Integrated Library Management Software (ILMS) utilization for Service Delivery in University Libraries in Kaduna State, Nigeria. The study was guided by three research questions and objectives. Quantitative research methodology was adopted for this study using a cross-sectional survey design. A total of one hundred and sixty-five (165) copies of questionnaire were administered to the respondents, out of which one hundred and thirty-three (133) representing 81% were duly completed, returned and used for this study. Data collected were analyzed using descriptive statistic. The study found out that KOHA is the dominant library management software in use and that the influence of Integrated Library Management Software utilization on service delivery was low. The study concludes that the adoption and full utilization of all the modules of ILMS is mandatory for university libraries if enhanced service delivery would be achieved. The study therefore recommends that Managers and decision-makers of university libraries in Kaduna State should prioritize the use of both open source and proprietary Integrated Library Management Software for service delivery in all sections/units of their libraries by making a policy decision in favour of it. Also, Software vendors should be committed to give technical support after the installation of the software. This will ensure the continuity of the project. In addition to the above, public university libraries in Kaduna State should engage the services of Information Technology (IT) experts who will maintain and ensure the sustainability of the system for greater influence/impact on library services.

Keywords: Influence, Integrated Library Management Software (ILMS), Service Delivery University Libraries, Utilization.

Introduction

Integrated Library Management Software (ILMS) provides numerous positive impacts to library administration and facilitates staff abilities to carry out their day to day library routine. ILMS such as X-LIB, Virtua, Millennium, Concourse, KOHA and others have shown over time the possibility of integrating several sections/units of a library into a single system. Modules were usually developed within the ILMS to handle operations in each section of the library. For instance, the circulation module, cataloguing module, acquisition module, serial module, administrative module and others are parts of the ILMS used at the different sections of the library but are all part of the system.

It is therefore important to note that Integrated Library Management Software (ILMS) started in the late 1970s according to Akeroyd and Cox (1999), these scholars (Akeroyd and Cox) said that, ILMS grew out of systems which had been developed to cope with one or more discrete functions within libraries. It then implies that integrated library management software is a key component of software requirement for library automation. According to Chow and Bucknail (2012), ILMS is an enterprise-level software package that manages, integrates and centralizes multiple core library functions and services. ILMS systems are designed to help libraries with three primary duties: increase operational efficiency, provide access to library's collection and provide access to external resources.

Statement of the Problem

The use of integrated library management software in libraries across the world has proved to reduce the workload for library staff in terms of classification, cataloguing, circulation, acquisitions and other operations. It has made cataloguing easier with the use of scanning technology employed on books barcodes, keeping track of library materials becomes easier than the manual methods. It has also helped to quickly identify inventory stock when budgeting for new library materials. It substantially increases the propensity of librarian’s library and information resources management in libraries that deployed it.

Despite the huge benefits derivable from the use of ILMS for service delivery, a lot of Nigerian tertiary institution libraries particularly university libraries in Kaduna state have not achieved enhanced service delivery after the adoption of ILMS. This raises the question: could the unsatisfactory service delivery be attributed to underutilization or improper use of ILMS? It is in the light of the above, that this research is aimed at finding out the influence of integrated library management software for service delivery in public university libraries in Kaduna State.

Research Questions

1. What types of Integrated Library Management Software are utilized for Service Delivery in University Libraries in Kaduna state?
2. To what extent do ILMS influences (Perceived Usefulness) Service Delivery in University Libraries in Kaduna state?

Objectives of the Study

1. To find out the types of Integrated Library Management Software utilized for Service Delivery in University Libraries in Kaduna state.
2. To find out the extent to which ILMS influences (Perceived Usefulness) Service Delivery in University Libraries in Kaduna state.

Literature Review

This section reviewed literature related to the dependent and independent variables of the study from which the gap for this paper was established.

Integrated Library Management Software Available to University Libraries

Integrated Library Management Software (ILMS) usage has increased and become more visible in the 21st Century. Many university libraries now make use of the available ILMS to render services to library users. Several integrated library management software have find their way into Nigerian libraries. The first sets of integrated library management software developed were not as user friendly and interactive as they are today. Because of this, earlier library workers find it so difficult to use though they were better and effective than the analog systems libraries were using before. (Olatunji & Tiamiyu, 2022).

Oyovwe-Tinuoye and Omosekejimi (2022) said the list of available ILMS includes: Micro CDS/ISIS (free), Library Plus (which replaced x-lib software), Green Stone Software, Graphical Library Automation System (this replaced The Information Navigator Library Software, TINLIB), Alice for Windows Software and Alexandra, others are: Docuware, Strategic Library Automation Management (SLAM), Liberty 3 Software and Microsoft Access Software. Concourse Book System and Atriuum are proprietary library management software. Most integrated library management software separate functions into discrete programs called modules, each of the modules integrate within a unified interface.

Adamu, Ibrahim and Gbaje (2020) alluded to the fact that many Integrated Library Management Software (ILMS) packages are available to Nigerian libraries. These according to them includes Liberty, LIBS+(X-Lib), CDS/ISIS, TINLIB, GLASS, Alice for Windows, Innovative Millennium, Virtua, KOHA, Voyager and most recently NewGenLib. Muller (2011) stated that integrated library management software is multifunction, adaptable software applications that allow libraries to manage their daily tasks in a more efficient way.

Olakoge and Kolawole (2019) submitted that the integrated library management software that have been introduced into the Nigerian University libraries includes: Alice for Windows, Web-Based Integrated Library System (WEBLIS), The Information Navigator Library Software (TINLIB), Automated Library (AUTOLIB), Graphic Library Automation System (GLAS), Koha, Automation of Libraries and Centres of Documentation (ABCD), Integrated Library Management System, Evergreen Software, NewGenLib, Computer Documentation System/ Integrated Set of Information Systems (CDS/ISIS). Due to the limitation of some software, many libraries had at one point or the other migrated from one software to another in order to improve performance and service efficiencies (Ajani & Buraimo, 2022).

The use of ILMS started in Nigeria in the middle of 1970 as well as in the early 1980s, when three notable universities – the University of Ibadan, the University of Lagos and Ahmadu Bello University, Zaria – started applying computers to library services. The National University Commission (NUC) was on the driver's seat when it presented microcomputers to 20 academic libraries in Nigeria. The NUC also added local area network (LAN) with the Information Navigator (TINLIB) software as an off-taker for the library automation programme. (Uzomba, Oyebola, & Izuchukwu; 2015). Due to the efficiency in library operations and services as a result of using this software, many other academic libraries now began to introduce other software. In 1980 Ahmadu Bello University (ABU) library in Zaria started their library automation, followed by the University of Jos library joined in 1990.

As reported earlier, the University of Ibadan Library started library automation with TINLIB in 1994, just as the Federal University of Agriculture Abeokuta, who further changed to use GLAS software. The train continued to Ogun State when Olabisi Onabanjo University library launched

Alice for Windows in year 2000 but later upgraded to Koha (Adegbore, 2010). Bowen University, a Nigerian Baptist Convention private university in Nigeria, began its automation programme with the use of Koha software (Otunla & Akanmu–Adeyemo, 2010).

A review of literature on ILMS by Kari and Baro (2014) in Nigerian academic libraries shows the reliance of libraries on gifted and non-proprietary software. For instance, the University of Ibadan Library from 1993 to 1995 had only used library management software donated to it by UNESCO or World Bank. Such software includes CDS/ISIS and TINLIB. Finding by a study carried out by Bozimo (2006) reveals that 92.3 per cent of the thirteen (13) federal universities studied used TINLIB library software; another 15.4 percent of the universities used CDS/ISIS. The prevalent in the use of TINLIB was attributed to the free donation from NUC through the World Bank intervention to Universities (Bozimo, 2006). This software, according to Bozimo, did not go very far before it packed up.

Similarly, Imo and Igbo (2011) gave reasons why University of Ibadan stopped the use of TINLIB to include the need for "change in the operating system from DOS to Windows. DOS-based software lack flexibility and were incapable of performing the advanced functions required for delivering smooth library services". Oduwole *et al.,* (2003) reported that the choice of TINLIB was made by librarians under the umbrella of the Committee of University Librarians of Nigerian Universities (CULNU) because it incorporate modules that will enhance basic library operations as well as integrating all library units together. The above scholars noted that the task of choosing a software package for a library is often difficult because the package must be "sufficiently powerful and versatile to cope with all library processes and, at the same time, be user friendly".

Alam and Mezbah-ul-Islam (2020) reported that Koha is the leading and widely used open source ILMS which is also free library management software that does not require annual subscription. Though technical IT skills is required to install and sustain the software. Koha was developed in New Zealand by Katipo Communications in 1999 but came live in year 2000. Koha incorporate such modules as acquisition, cataloging, OPAC, circulation, Inter-Library Loan, serials control, patron management, and report generation modules. The two (2) Graphical User Interfaces (GUIs) embedded in Koha are for staff and other users. However, as the technology advances, other ILMSs begin to emerge. These include: Concourse, Atriuum, Virtua, NewGenLib and SLAM.

Also, Hamisu (2021) in his literature review cited Kari and Baro, (2014) who studied the use and challenges of integrated library management software in Nigerian universities. Purposively, the study selected 124 universities. And findings revealed that majority of Nigerian libraries that is, about 67% uses KOHA library software. Another reasonable percentage of the libraries used SLAM (Simultaneous localization and mapping) and VIRTUA software. The VIRTUA in particular was found highly versatile and internet-based, flexible, user-friendly, customizable, time-saving, and it MARC21 (Machine-Readable Cataloguing) compliant interface aids in sharing resources.

Influence of Integrated Library Management Software on Service Delivery

The influence of Integrated Library Management Software in managing library operations has been highlighted by several scholars. Oyovwe-Tinuoye and Omosekejimi (2022) posited that the value and impact of integrated software in library routines such as cataloguing, research support, circulation services, reference services, acquisition and serials management, etc. is no longer in doubt considering the fact that libraries around the world have come to terms with the current reality that calls for a shift from the age long manual ways of carrying out library activities to integrated systems operations aided by computers and related software and hardware.

Alluding to the above fact, Uzomba, Oyebola and Izuchukwu, (2015) stated that the revolution brought by ILMS to academic libraries in Nigeria has changed them from their isolated narrow-minded practices into an integrated collaborative system through the use of computers and related technologies. Olakoge and Kolawole (2019) opined that the major advantages of using an ILMS system to manage libraries include the following: it allows for easy use of resources, enables secured cloud data handling, gives room for mobile access, and enhances reporting, ease communication and monitoring among others.

Ashikuzzaman, (2014) commenting on the advantages of an integrated library system opined that ILMS helps to address the issues relating to duplication of bibliographic records, minimizes errors when entering records and enhances efficiency in records and data management. Stressing the great influence of using ILMS in libraries, Ajani and Buraimo (2022) in their findings submitted that the management of academic libraries should as a matter of urgency seek the support of their parent bodies management in terms of funding to acquire and install integrated library management software that will compete favorably with first class libraries in the world to further enhance service delivery for both library personnel and library patron alike.

ILMS provides many impacts towards library's activity and facilitates staff in performing their daily functions. One area of major improvement when libraries use ILMS is seen in the ability to speed up performance. According to Archana, Padmakumar and Beena (2014), libraries have the potentials to save a lot of efforts in handling daily library activities with the deployment of ILMS which has the ability to download relevant MARC record from other libraries around the world and upload them into their own databases. This shows a reduction of effort for the Technical Unit of the library.

MyEdu (2019) also posited that Library management systems enable administrators to keep an eye on the library departmental functions. Also, it allows librarians and other users to save time on daunting tasks and enhances efficiency. By using library management system (LMS), library managements would be able to evaluate staff capabilities. Additionally, library workers can trace the record of issued books and other resources in the collection. The librarian and library administration can access various records from the ILMS to implement new policies and actions.

A study carried out by Oyovwe-Tinuoye and Omosekejimi (2022) revealed the benefits or influences of ILMS to include but not limited to the following: users access to books and other materials in the library, allows for round the clock library services, helps to know a documents reservation status, bring the library closer to the users, enables users to know easily the total number of books held in a collection, to know a document due date or date of availability for other users, allows for easy checking-out of library materials, automatic renewal of loaned-out library materials to patrons is achievable, helps to know the location of a particular title held by the library, helps to know the position of a particular materials on the shelf and helps to ascertain the current status of library resources. Onyebuchi, Daniel, Chima and Udoaku (2015), aligning themselves with other scholars on the influence of library software reported that ILMS has brought about enhanced retrieval rate of information resources, ensures reduction of wasted time, helps in keeping proper monitoring of items in the library, and also leads to productivity accuracy of library staff. The authors also reported a positive relationship between automated technical systems and enhanced library services.

Materials and Method

Quantitative research methodology was adopted for this study. A cross-sectional survey research design was adopted for this study. A survey research provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. From sample results, the researcher generalizes or draws inferences to the population (Creswell, 2014). The sample size for this study comprised of one hundred and sixty-five (165) staff from four (4) public university libraries in Kaduna State, Nigeria that have adopted integrated library management software for library automation processes of their operations and services. The instrument used for data collection is questionnaire. A self-developed closed-ended structured questionnaire was used to collect data from the respondents that formed the sample in the study. The set of questionnaire was designed to collect data from the different sections/units of the university libraries that formed the population of the study. Five points Likert-Scale of measurement was used for assessing the extent to which Integrated Library Management Software utilization influences Service Delivery in university libraries. The Mean Benchmark 3.0 was used. The Benchmark was established using the value of the five (5) points Likert scales rating from 5,4,3,2 and 1. The mean formula used to obtain 3.0 is $\bar{X}$ = 5+4+3+2+1/5 = 15/5 = 3. Thus, the 3.0 mean benchmark was used. The data collected from the field were analyzed using the Statistical Package for Social Sciences (SPSS) IBM version 25.

Results and Discussions

The study after collecting and analyzing data on the types of ILMS available to public university libraries for utilization and the impact or influences they have on service delivery, presents the results of the study as follows:

Type(s) of Integrated Library Management Software Available to University Libraries in Kaduna State.

The first research objective of this study was to find out the Type(s) of Integrated Library Management Software Available to University Libraries in Kaduna State. Table 1 showed the information received from respondents.

Table 1 Type(s) of ILMS available to University libraries in Kaduna State

	AFIT				KIL				NDA				KASU						Total
Type(s) of ILMS	NA	%	Av	%	NA	%	AV	%	NA	%	Av	%	NA	%	Av	%	Total	NA	Available
Alice for windows	24	18.1	0	0.0	45	33.8	13	9.8	14	10.5	0	0.0	32	24.1	5	3.8	133	86.5	13.5
Atriuum	24	18.1	0	0.0	58	43.6	0	0.0	14	10.5	0	0.0	37	27.8	0	0.0	133	100.0	0.0
CDS/ISIS	23	17.3	1	0.8	56	42.1	2	1.5	14	10.5	0	0.0	31	23.3	6	4.5	133	93.2	6.8
Concourse Book System	24	18.1	0	0.0	57	42.9	1	0.8	14	10.5	0	0.0	37	27.8	0	0.0	133	99.3	0.8
E-Lib	14	10.5	10	7.5	41	30.8	17	12.8	7	5.3	7	5.3	25	18.8	12	9.0	133	65.4	34.6
Evergreen	24	18.1	0	0.0	57	42.9	1	0.8	13	9.8	1	0.8	37	27.8	0	0.0	133	98.5	1.5
G-lass	24	18.1	0	0.0	56	42.1	2	1.5	14	10.5	0	0.0	37	27.8	0	0.0	133	98.5	1.5
KOHA	24	18.1	0	0.0	3	2.3	55	41.4	2	1.5	12	9.0	7	5.3	30	22.6	133	27.1	72.9
Liberty	24	18.1	0	0.0	58	43.6	0	0.0	11	8.3	3	2.3	29	21.8	8	6.0	133	91.7	8.3
Libinfo	24	18.1	0	0.0	58	43.6	0	0.0	13	9.8	1	0.8	30	22.6	7	5.3	133	94	6.0
Libsy	24	18.1	0	0.0	57	42.9	1	0.8	14	10.5	0	0.0	30	22.6	7	5.3	133	94	6.0
Millennium	24	18.1	0	0.0	58	43.6	0	0.0	14	10.5	0	0.0	33	24.8	4	3.0	133	97	3.0
NewGenLib	24	18.1	0	0.0	58	43.6	0	0.0	14	10.5	0	0.0	31	23.3	6	4.5	133	95.5	4.5
SOUL	24	18.1	0	0.0	58	43.6	0	0.0	14	10.5	0	0.0	37	27.8	0	0.0	133	100.0	0.0
Strategic Lib Automation	24	18.1	0	0.0	56	42.1	2	1.5	14	10.5	0	0.0	33	24.8	4	3.0	133	95.5	4.5
Tin-Lib	24	18.1	0	0.0	54	40.6	4	3.0	14	10.5	0	0.0	29	21.8	8	6.0	133	90.9	9.0
Virtua	24	18.1	0	0.0	38	28.6	20	15	14	10.5	0	0.0	32	24.1	5	3.8	133	81.2	18.8
X-Lib	24	18.1	0	0.0	53	39.9	5	3.8	14	10.5	0	0.0	34	25.6	3	2.3	133	93.9	6.0

Source: Field Survey, 2024. **Key**: AFIT= Air Force Institute of Technology; KASU= Kaduna State University; KIL= Kashim Ibrahim Library; NDA= Nigerian Defense Academy; %= Percentage; NA= Not Available; Av= Available

Findings on unit by unit basis on available ILMS to the studied public university libraries in Kaduna State revealed that; in AFIT, ten (10) respondents representing 7.5% ticked that E-Lib is available in the library, while one (1) respondent representing 0.8% affirmed that there is CDS/ISIS in **AFIT** library. In KIL, fifty-five (55) respondents representing 41.4% said KOHA is available, while twenty (20) respondents representing 15% said Virtua is available, and another seventeen (17) respondents representing 12.8% agree that E-Lib is available in **KIL**. Results from **NDA** revealed that KOHA and E-Lib are available with twelve (12) and seven (7) respondents representing 9% and 5.3% respectively. From **KASU**, findings showed that thirty (30) respondents representing 22.6% choose KOHA as the available ILMS while another twelve (12) choose E-Lib as the available ILMS in KASU.

Table 1 indicates the types of Integrated Library Management Software that are available to studied public university libraries in Kaduna State. Among the once available are KOHA which has the highest scores of 72.9%, followed by E-Lib with 34.6% and then Virtua scoring the third highest scores of 18.8%. On the other hand, Atriuum, Concourse Book System and SOUL were very unpopular with university libraries in Kaduna State with respondents showing 100%, 99.3% and 100% none awareness of these Integrated Library Management Software in their libraries respectively. Apart from AFIT where most of the respondents picked E-Lib as the available ILMS, majority of respondents from KIL, NDA and KASU selected KOHA as the most available ILMS in their libraries.

Findings shows KOHA having the highest scores which may not be unconnected with the fact that it is an open source and can handle a large collection without the need for annual subscription which must library’s budget cannot handle. KOHA is an open source software with the ability to index documents for easy search, retrieval and archiving bibliographic databases for online access. Its design architecture accommodates communication standard and cataloguing tools such as

MARC I & II and *Z39.50*. Koha being a foremost library automation software aside the fact that it is open and free, the advantages of open source is numerous compared with proprietary software. This could be a reason for the wide adoption in both developed and developing countries' public and academic libraries. KOHA for example enhances community participation – most university/academic libraries are using Koha. It is reliable because of the open and free access to the source code, it is flexible for modification to meet specific need, it is free, no annual subscription is required (Ajani & Olayinka, 2022).

The implications of this finding is that, academic libraries will continue to patronize KOHA Integrated Library Management Software because it is an open source and free, and can handle most of the library routine services, unlike the proprietary software that requires annual subscriptions (though would be handy to provide technical support when need be). The choice by academic libraries to adopt KOHA as their primary software for service delivery in Kaduna State implies that they must build up a strong technical support team to install, maintain and sustain the system for efficient and consistent service delivery.

Influence of Integrated Library Management Software (ILMS) (Perceived Usefulness) on Service Delivery in University Libraries in Kaduna State

The second research objective is to find out how ILMS influences (Perceived Usefulness) service delivery in University libraries in Kaduna State. This is to ascertain the level of impact of ILMS use in university libraries in the table using the five Likert scale of measurement: Very High Influence = VHI; High Influence = HI; Very Low Influence = VLI; Low Influence = LI; Undecided = U to analyze the responses of the respondents. The result of the investigation is shown in Table 2 below:

Table 2 Extent of Influence of Integrated Library Management Software (ILMS) (Perceived Usefulness) on Service Delivery in Public University Libraries in Kaduna State

	AFIT				KIL				NDA				KASU				TOTAL		
Area of Influence	U	LI	HI	Mean	U	LI	HI	Mean	U	LI	HI	Mean	U	LI	HI	Mean	T	∑ Mean	Av. Mean
Processing of library Materials	0	5	19	2.8	7	6	45	2.7	1	1	12	2.8	1	0	36	2.9	133	11.2	2.8
Acquisition of library materials	2	8	14	2.5	11	14	33	2.4	1	3	10	2.6	0	0	37	3.0	133	10.5	2.6
Serial Control Management Services	5	4	15	2.4	13	14	31	2.3	2	6	6	2.3	1	1	35	2.7	133	9.9	2.5
Answering Users Questions Online	4	8	12	2.3	13	18	27	2.2	1	6	7	2.4	1	3	33	2.6	133	9.9	2.5
Saves the Time of Staff and Patrons	3	6	15	2.5	15	11	32	2.3	3	2	9	2.4	0	7	30	2.3	133	10.0	2.5
Administrative Library Services	6	5	13	2.3	21	14	23	2.0	2	4	8	2.4	0	6	31	2.4	133	9.6	2.3
Reservation of Books and helps to know document status	9	6	9	2.0	14	15	29	2.3	4	2	8	2.3	0	6	31	2.4	133	9.4	2.4
Electronic/Digital Services	7	5	12	2.2	11	5	42	2.5	1	2	11	2.7	0	4	33	2.6	133	10.4	2.6
Improve the Morale of Staff	5	14	5	2.0	23	9	26	2.1	3	1	10	2.5	0	6	31	2.4	133	9.4	2.3
Enhance Easy Access and Retrieval of Information	9	6	9	2.0	16	7	35	2.3	2	0	12	2.7	0	8	29	2.2	133	9.8	2.4
Accuracy and Efficiency of library tasks	3	7	14	2.5	18	5	35	2.3	2	2	10	2.6	0	9	28	2.1	133	10.1	2.5
Helps the Head to Monitor & Supervise Workflow of Staff	6	12	6	2.0	15	12	31	2.3	3	1	10	2.5	0	5	32	2.5	133	9.6	2.4
Allows for round the clock library services	5	12	7	2.1	19	16	23	2.1	1	3	10	2.6	1	7	29	2.2	133	9.6	2.3

Source: Field Survey, 2024. **Key**: AFIT= Air Force Institute of Technology; KASU= Kaduna State University; KIL= Kashim Ibrahim Library; NDA= Nigerian Defense Academy; HI= High Influence; LI=Low Influence; U=Undecided; T=Total; ∑mean= Summation of Mean; Av. Mean= Average Mean.

Table 2 reveals results for the extent of influence of ILMS in studied public university libraries in Kaduna State as follows: **AFIT** - Processing of library Materials 2.8, Acquisition of library materials 2.5, Accuracy and Efficiency of library tasks 2.5, and Saves the Time of Staff and Patrons. **KIL** - Processing of library Materials 2.7, Electronic/Digital Services 2.5, Acquisition of library materials 2.4. **NDA** - Processing of library Materials 2.8, Electronic/Digital Services 2.7, Enhance Easy Access and Retrieval of Information 2.7, Acquisition of library materials 2.6, Accuracy and Efficiency of library tasks 2.6. **KASU** - Acquisition of library materials 3.0, Processing of library Materials 2.9, Serial Control Management Services 2.7 respectively.

Table 2 reveals the extent of influence of Integrated Library Management Software (ILMS) (Perceived Usefulness) on service delivery in university libraries in Kaduna State. Taking the average mean benchmark of 3.0 into consideration, all the areas considered fell below the benchmark. The responses of the respondents on the level of influence of Integrated Library

Management Software on service delivery in university libraries in Kaduna State were as follows: Processing of library Materials 2.8; Acquisition of library materials 2.6; Serial Control Management Services 2.5; Answering Users Questions Online 2.5; Saves the Time of Staff and Patrons 2.5; Administrative Library Services 2.4; Reservation of Books and helping to know document status 2.4; Electronic/Digital Services 2.6; Improve the Morale of Staff 2.3; Enhance Easy Access and Retrieval of Information 2.4; Accuracy and Efficiency of library tasks 2.5; Helps the Head to Monitor & Supervise Workflow of Staff 2.4; and Allows for round the clock library services 2.3 respectively.

The below mean average recorded from this research finding could be attributed to the low extent of utilization of the ILMS by the libraries investigated which was also a product of inadequate skills by library personnel to optimally utilize available library software. The result from this study contradicts the position of Oyovwe-Tinuoye and Omosekejimi (2022) who posited that the influence/importance of integrated systems in library activities in areas such as technical services, reference services, information access and retrieval, acquisition and serials management, etc. is no longer arguable as libraries all over the world have realized the need to shift from their analog practices into integrated systems operations. Alluding to the above, Olakoge and Kolawole (2019) opined that the major advantages and or influences of using an ILMS system to manage libraries include but not limited to the following: it enables easy use of library resources; ensures a protected cloud data management system; gives easy mobile access; and ensures accurate reporting, communication and monitoring among others.

There is no doubt that the use of ILMS has brought about easy access and retrieval of information resources, reduced wasted time, helped in monitoring library resources, and also led productivity and accuracy of library staff. For university libraries in Kaduna State to be impacted or influenced in a similar manner, it then implies that they must integrate the use of ILMS fully into their daily operations.

Summary of Finding

Based on the data collected and analysis done, the following are summary of the findings:

1. The finding of the study revealed that KOHA is the dominant Integrated Library Management Software being used in university libraries in Kaduna State for service delivery with 79.5% of the total scores. This is followed by E-Lib with 22.7%, and then Virtua with 14.3% as the most three (3) ILMS being used by university libraries for service delivery in Kaduna State.
2. Findings revealed that the level of influence of Integrated Library Management Software (ILMS) (Perceived Usefulness) on service delivery in university libraries in Kaduna State in all areas examined were below average.

Conclusion and Recommendations

Conclusion

The influence of integrated Library Management Software on service delivery in libraries can never be over stressed. The main thrust of every library is to adequately cater for the information needs of its users. If these needs are to be met effectively, then the adoption and full utilization of all the modules of ILMS for enhanced service delivery in our libraries through the acquisition of necessary software and hardware equipment and not ignoring the proper training of the manpower that will run and sustain the system is not optional but mandatory. Maximum support should be given at every point to ensure proper funding of library automation projects and consistency in data subscription and standby power supply.

Recommendations

Having discovered the extent of influence of ILMS utilization on service delivery in public university libraries in Kaduna State, the following recommendations are made for enhanced services:

1. Managers and decision-makers of public university libraries in Kaduna State should prioritize the use of Integrated Library Management Software for service delivery in all sections/units of their libraries by making a policy decision in favour of it. They should be enlightened by the IT Section of the NLA to use Atriuum, Evergreen, G-Glas, Millennium, SOUL, NewGenLib, and Strategic Lib Automation Mgt. for service delivery in Kaduna State.
2. Software vendors should be committed to give technical support after the installation of the software. This will ensure the continuity of the project. In addition, public university libraries in Kaduna State should engage the services of Information Technology (IT) experts who will maintain and ensure the sustainability of the system for greater influence/impact on library services.

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SERVICE CONVENIENCE AND CUSTOMER SATISFACTION ENHANCEMENT: AN ANALYSIS OF IN-STORE RETAIL OPERATIONS IN ILORIN, KWARA STATE

[1]Muritala Arowolo ALAO, [2]Yusuf ISMAILA, Ph.D & [3]Zekeri ABU, Ph.D

[1,2,3]Department of Business and Entrepreneurship, Faculty of Management and Social Sciences, Kwara State University, Malete.
[1]muritala.arowolo@kwasu.edu.ng, [2]ismaila.yusuf@kwasu.edu.ng, [3]zekeri.abu@kwasu.edu.ng
[1] +2348060462126, [2]+2348035787553, [3]+2348033782728,

Abstract

Customer satisfaction is crucial for retail business success, influencing customer loyalty, repeat purchases, and brand perception. While service convenience is widely recognized as a key driver of satisfaction in e-commerce and self-service industries, its impact in traditional Nigerian retail settings remains uncertain as most of the traditional retailers has not really explore the opportunity of service convenience in attracting customers. This study investigates the effect of service convenience on customer satisfaction in Nigeria retail businesses with three retail stores been selected in Ilorin Kwara State. A quantitative research design was employed, with data collected from 240 respondents using structured questionnaire. Regression analysis revealed that service convenience does not have a statistically significant impact on customer satisfaction ($B = 0.052$, $p = 0.538$), with weak correlation and low explanatory power ($R^2 = 0.008$). The ANOVA results further confirmed this insignificance ($F = 0.463$, $p = 0.763$), indicating that other factors such as product quality, pricing, and customer service interactions play a more dominant role. The study concludes that while service convenience will certainly enhance the overall customer experience, it is not a primary determinant of satisfaction in traditional retail settings. Businesses are encouraged to focus on improving product quality, enhancing service responsiveness, and strengthening customer engagement strategies to foster customer trust and retention.

Keywords: Customer Satisfaction Enhancement, Ilorin, In-Store Retail, Operations, Service Convenience

Introduction

Customer service is a fundamental aspect of business operations that significantly influences consumer satisfaction and long-term loyalty (Smith, 2020). Traditionally, customer service was a reactive function focused on addressing complaints and resolving issues after they arose. However, in today’s competitive retail landscape, businesses have recognized the strategic importance of customer service in shaping end-user experiences and driving customer retention (Berry et al., 2002). The Nigerian retail sector presents a unique blend of traditional and modern shopping environments, including bustling open markets and sophisticated shopping malls. This diversity is shaped by technological advancements, economic realities, and cultural factors, all of which contribute to evolving consumer expectations (Farquhar & Rowley, 2009). As competition increases, retail businesses must ensure that their service offerings align with customer needs to foster loyalty, repeat patronage, and positive word-of-mouth.

Service convenience has emerged as a critical factor in customer satisfaction, particularly in retail settings where efficiency and ease of access are highly valued (Dai & Salam, 2014). Defined as the extent to which businesses reduce customer effort and time during service interactions, service convenience plays a crucial role in enhancing customer experiences. Berry et al. (2002) identified five dimensions of service convenience: decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience. Each of these dimensions contributes to the overall ease with which customers can interact with a retail business, from making purchase decisions to completing transactions and receiving post-sale support. Companies that optimize these dimensions not only improve customer satisfaction but also gain a competitive advantage by fostering stronger relationships with their customers (Liang & Wang, 2005). Retailers that prioritize service convenience can differentiate themselves by streamlining processes such as checkout times, payment methods, and customer support systems, thereby ensuring a seamless and efficient shopping experience.

Despite its recognized importance, many retail businesses in Nigeria continue to struggle with inefficiencies that hinder service convenience, ultimately leading to customer dissatisfaction and reduced repeat patronage (Gupta & Sharma, 2021). Common challenges include long waiting times at checkout counters, limited payment options, inadequate customer support, and poor after-sales service (Sani et al., 2018). These factors create unnecessary friction in the shopping experience, making customers more likely to seek alternative retailers that offer more convenient services. In response to these challenges, some retail businesses have begun implementing digital solutions such as self-checkout systems and mobile payment platforms to enhance convenience and improve customer satisfaction (Agu et al., 2019). However, the adoption of such innovations remains inconsistent, with many businesses still relying on traditional service models that fail to meet the expectations of modern consumers. Given these challenges, this study aims to explore the role of service convenience in enhancing customer satisfaction within in-store retail experiences.

Statement of the Problem

Customer satisfaction is a key driver of business success in the retail sector, influencing loyalty, repeat patronage, and overall profitability (Gupta & Sharma, 2021). However, many retail businesses continue to struggle with inefficiencies in service convenience, which significantly impact the shopping experience. Service convenience, defined as the effort and time customers must invest in completing a purchase, plays a crucial role in shaping consumer perceptions of ease and efficiency (Dai & Salam, 2014). In Nigeria, common service challenges such as long checkout queues, limited payment options, inadequate store accessibility, and poor post-purchase support create significant friction in the customer journey (Sani et al., 2018). These inefficiencies discourage repeat patronage and contribute to customer dissatisfaction, ultimately reducing the competitiveness of retail businesses. Although global retailers have leveraged technology to enhance convenience—introducing self-checkout systems, mobile payment solutions, and AI-driven customer support—many Nigerian retailers have been slow to adopt such innovations (Agu et al., 2019). This failure to modernize service processes further frustrates consumers who expect faster and more seamless shopping experiences.

Despite the growing recognition of service convenience as a key determinant of customer satisfaction, limited research has been conducted on its specific impact within the Nigerian retail sector (Berry et al., 2002). Most studies on customer service in retail businesses focus on service quality, pricing, and customer relationship management, with little attention given to decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience (Farquhar & Rowley, 2009). This knowledge gap makes it difficult for businesses to develop effective strategies for improving service convenience and retaining customers. Additionally, given the increasing competition in Nigeria's retail industry, businesses must recognize that enhancing service convenience is not just a competitive advantage but a necessity for long-term survival (Vinita, 2014). However, many retailers remain reactive rather than proactive in addressing service convenience challenges, leading to inconsistent customer experiences across different stores (Swapen et al., 2023). This study, therefore, seeks to bridge this gap by examining the role of service convenience in enhancing customer satisfaction in Nigerian in-store retail experiences, providing valuable insights that can help businesses refine their service models, improve customer retention, and strengthen their market position.

Literature Review

Concept of Service Convenience

Service convenience refers to the reduction of time and effort customers must expend when purchasing and using a service (Farquhar & Rowley, 2009). Berry et al. (2002) conceptualized service convenience into five dimensions: decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience. Decision convenience relates to the ease with which customers can make informed choices about products and services, often influenced by the availability of information and marketing communications (Dai & Salam, 2014). Access convenience refers to how easily customers can reach a store or service provider, considering factors such as location, hours of operation, and digital accessibility (Agu et al., 2019). Transaction convenience focuses on the simplicity and efficiency of completing purchases, including payment methods and checkout processes (Liang & Wang, 2005). Benefit convenience pertains to the ease of obtaining the desired value from a product or service, such as efficient product delivery or in-store assistance (Farquhar & Rowley, 2009). Post-benefit convenience relates to after-sales services such as returns, refunds, and customer support, which contribute to overall satisfaction and loyalty (Swapen et al., 2023). These dimensions collectively shape customer perceptions of service quality and influence their satisfaction and loyalty.

Concept of Customer Satisfaction

Customer satisfaction is the result of consistently positive emotional experiences, physical attribute-based satisfaction, and perceived value of a product or service (Berry et al., 2002). It refers to the overall interaction and perception a customer has with a company throughout the entire customer journey, encompassing all touch points from pre-purchase to post-purchase experiences. In the retail sector, customer satisfaction is influenced by various factors, including service quality, store accessibility, product availability, and convenience of service delivery (Sani et al., 2018). It is a critical determinant of customer loyalty and repeat patronage, as satisfied customers are more likely to return to a retail outlet and recommend it to others (Farquhar & Rowley, 2009).

Customers value seamless service experiences that include quick checkout processes, multiple payment options, personalized service, and efficient after-sales support (Swapen et al., 2023). However, retail businesses in Nigeria continue to struggle with inefficiencies such as long queues, poor customer service, and limited access to digital payment solutions, which negatively impact customer satisfaction (Agu et al., 2019). Studies indicate that businesses that focus on improving convenience by reducing transaction complexities, enhancing accessibility, and offering responsive customer service tend to achieve higher customer satisfaction and loyalty (Liang & Wang, 2005). Additionally, customer satisfaction plays a crucial role in determining market competitiveness, as businesses that prioritize customer needs and experiences are more likely to sustain growth and profitability in a competitive retail environment.

Theoretical Review

Expectancy Theory of Customer Satisfaction

The Expectancy Theory of Customer Satisfaction traces its origins to Howard and Sheth's (1969) definition, which states that satisfaction is determined by the degree of congruency between customer aspirations and the perceived reality of their experiences. Oliver (1977, 1980) further developed this theory, emphasizing that satisfaction depends on the size and direction of the disconfirmation experience the comparison between service performance and customer expectations (Ekinci & Sarakaya, 2004). This suggests that consumers approach a purchase with preconceived expectations about a product or service's anticipated performance. Once the product or service is consumed, customers compare their actual experience with these expectations, leading to one of three possible outcomes: confirmation, where expectations match reality, resulting in satisfaction; positive disconfirmation, where performance exceeds expectations, leading to high satisfaction; or negative disconfirmation, where performance falls short of expectations, causing dissatisfaction (Jamshed et al., 2021).Conversely, failure to align service delivery with expectations leads to negative disconfirmation, causing dissatisfaction and reducing customer retention. This theory highlights the importance of strategic customer service management, ensuring that retail businesses continuously refine their service quality to enhance the end-user experience.

Oliver's Customer Loyalty Theory

Oliver's Customer Loyalty Theory (1997) explains loyalty as a four-stage process: cognitive, affective, conative, and action loyalty. In the cognitive stage, loyalty is based on brand awareness and perceived superiority, where consumers evaluate a brand based on its attributes or past experiences (Berry et al., 2002). However, this form of loyalty is weak and easily influenced by competitors. As customers repeatedly experience satisfaction, they enter the affective stage, developing an emotional connection with the brand (Farquhar & Rowley, 2009). While deeper than cognitive loyalty, it remains susceptible to shifts in preferences. With consistent positive experiences, customers reach the conative stage, where they develop a strong repurchase intention, though external influences such as competitor promotions may still impact decisions (Sani et al., 2018). The final action stage reflects behavioral commitment, where customers demonstrate habitual engagement despite challenges like price fluctuations (Agu et al., 2019). Oliver's theory aligns with this study by emphasizing that seamless transactions, quick service delivery, and personalized interactions enhance customer trust, emotional attachment, and long-term loyalty (Vinita, 2014)

Underpinning Theory

The study underpins expectancy theory of customer satisfaction. This theory explains why service convenience plays a vital role in shaping customer satisfaction. Customers expect quick checkout processes, easy access to products, multiple payment options, and efficient after-sales support (Dai & Salam, 2014). When retailers fail to meet these expectations due to long queues, poor customer service, or limited transaction options customers experience dissatisfaction, leading to negative word-of-mouth and reduced patronage (Sani et al., 2018). Conversely, businesses that exceed customer expectations by offering superior convenience, seamless transactions, and proactive customer engagement foster higher levels of satisfaction and repeat patronage (Liang & Wang, 2005).

The theory explains that when customers perceive a level of convenience that matches or surpasses their expectations, it leads to greater satisfaction. Conversely, if the service provided is less convenient than anticipated, it results in dissatisfaction. This highlights the role of service convenience as a key factor influencing customer satisfaction in retail environments. The difference between the expected and actual convenience experienced plays a critical role in shaping satisfaction levels.

Empirical Study

Sheeraz et al. (2023) investigated the relationship between service convenience and customer satisfaction in Indian e-retailers, with a focus on whether gender moderates this relationship. Using survey data from 5,260 online shoppers, analyzed through Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA), the study found that ordering, searching, and accessing information significantly impacted customer satisfaction, while evaluation, logistics, and reverse logistics had minimal effects. However, the study was limited to online retail, making its findings less applicable to physical retail stores. The authors recommended that retail businesses enhance digital service convenience by improving search functionality and order processes.

Shan and Younghwan (2023) examined how service convenience and service quality influence customer satisfaction and loyalty in self-service fitness centers. Using PLS-SEM analysis on data from 552 customers across major Chinese cities, the study found that convenience played a key role in customer retention and positive word-of-mouth recommendations. Customers using unstaffed fitness centers placed a higher value on service convenience than those using staffed centers. However, since the study was conducted in a fitness industry setting, its findings may not fully apply to general retail businesses. The study recommended that businesses focus on reducing customer effort and improving self-service options.

Seiders et al. (2007) developed and validated the SERVCON model, a multidimensional scale for measuring service convenience in various industries. Through factor analysis and surveys, they identified five key dimensions: decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience. The study provided an essential framework for understanding how these dimensions influence customer satisfaction and loyalty. However, the SERVCON model was developed primarily in the U.S. retail context, limiting its direct applicability to developing economies such as Nigeria. The study suggested modifying the SERVCON model for different economic and cultural settings to improve its relevance.

Saha et al., (2020) examined how online convenience factors affect consumer purchase behavior. Using survey-based research, the study analyzed time, place, purchase, usage, and execution convenience as key determinants of customer satisfaction. Findings indicated that time and execution convenience had the strongest influence on repeat purchases. However, since the study focused solely on e-commerce, its results may not fully apply to brick-and-mortar retail experiences. The authors recommended that physical retailers integrate digital solutions to enhance transaction and post-purchase convenience.

Ezenta and Osagie (2021) explored how service convenience impacts customer patronage in government-owned hospitals in Nigeria. A survey of 450 respondents across hospitals in Lagos and Abuja revealed that access and transaction convenience significantly influenced customer satisfaction. However, because the study was conducted in a healthcare setting, its findings may not be directly applicable to retail businesses. The authors recommended that retail stores adopt customer-friendly transaction policies to reduce waiting times and enhance overall service efficiency.

Setyo et al., (2023) investigated how service convenience and promotional strategies influence customer loyalty and transaction decisions. Using survey data and regression analysis, the study confirmed that service convenience was a major factor in repeat transactions and customer retention. However, the study did not differentiate between various retail formats, making its applicability to specific retail categories unclear. The authors recommended that retailers introduce loyalty programs with convenient transaction options to increase customer retention.

Owuso and Ebenuwa (2022) examined the role of search convenience in customer satisfaction among petroleum product marketers in Port Harcourt, Nigeria. The study, based on structured questionnaire surveys, found that easier access to fuel stations and digital payment options significantly improved customer satisfaction. However, since the study was conducted in the fuel retail sector, its findings may not be directly applicable to in-store retail businesses. The study recommended that retailers prioritize location convenience to enhance customer accessibility and satisfaction.

Jennifer et al., (2022) explored the effect of service convenience on customer loyalty in non-rated hotels in Murang'a County, Kenya. Using Structural Equation Modeling (SEM) analysis, the study found that transaction and post-purchase convenience were the most significant factors influencing customer retention and loyalty. However, since the study was hospitality-focused, its direct application to retail businesses is limited. The authors recommended that retail businesses improve post-benefit services, such as flexible return policies, to enhance customer satisfaction.

Nurul et al., (2022) examined the impact of service quality and convenience on customer satisfaction and loyalty in the restaurant industry. Using a survey of 100 customers and regression analysis, the study found that response accuracy and staff attentiveness played a crucial role in determining customer satisfaction. However, since the study was conducted in the foodservice industry, its findings may not fully translate to general retail businesses. The study recommended that retailers invest in employee training to improve service convenience and efficiency.

Ebhote and Wilfred (2022) explored the relationship between core competence management and organizational performance in First Bank of Nigeria PLC. Using a mixed-methods approach that combined surveys and interviews, the study found that service convenience played a major role in long-term customer relationships and loyalty. However, because the study was banking industry-specific, its findings may not fully apply to in-store retail settings. The study recommended that retail businesses enhance service reliability and transactional efficiency to improve customer trust and loyalty.

Gap in Literature

A review of empirical studies on service convenience and customer satisfaction reveals a significant gap in understanding how service convenience influences in-store retail experiences, particularly in developing economies like Nigeria. Many existing studies, such as Sheeraz et al., (2023) and Saha et al., (2020), focus on online retail environments, emphasizing digital convenience factors like ease of ordering and logistics, but neglect key elements of in-store service convenience such as checkout efficiency, accessibility, and post-purchase support. Additionally, studies such as Ezenta and Osagie (2021) and Owuso and Ebenuwa (2022) have examined service convenience in healthcare and petroleum sectors, but their findings may not directly apply to brick-and-mortar retail settings. This study, therefore, seeks to bridge these gaps by investigating the role of service convenience in enhancing customer satisfaction in Nigerian in-store retail experiences, offering insights tailored to the challenges of physical retail settings in emerging economies.

Materials and Method

The study followed a cross-sectional research design for convenient purpose, meaning that data was collected at one point in time to analyze the relationship between service convenience and customer satisfaction.This study examined customers of three major store-based retail outlets in Ilorin, Kwara State, namely Shoprite Stores, Martrite Stores, and Chupet Stores. These retail outlets were strategically selected as they represent key players in the Ilorin retail market, attracting a broad consumer base.A multistage sampling technique was employed to ensure representative sampling. Purposive sampling was used to select the three major retail outlets, followed by availability sampling, where customers visiting the stores on weekend days were selected for the study. Lastly, a random sampling technique through mall intercepts was used to approach respondents and administer questionnaires.

The study considered the customer population as infinite due to the continuous influx of shoppers as customers of the stores cannot be determined. As such, Godden’s (2004) model for sample size determination in large populations was applied, yielding a sample size of 246 respondents. To enhance validity, a pre-test involving 30 respondents was conducted to ensure clarity and consistency in the questionnaire. Data collection spanned five months and followed strict ethical guidelines, ensuring that respondents were fully informed about the study’s purpose and their rights to confidentiality.

The survey instrument was a structured questionnaire designed to measure the relationship between service convenience and customer satisfaction. The questionnaire included demographic questions (age, gender, education level, shopping frequency) and key constructs related to service convenience dimensions, such as decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenienceA 5-point Likert scale was used to measure responses, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). To ensure reliability, Cronbach’s Alpha was used to test internal consistency, yielding values between 0.81 and 0.90, indicating high reliability.

Primary data was collected through self-administered questionnaires and structured interviews. A total of 246 questionnaires were distributed, with three trained research assistants facilitating data collection. Data analysis was conducted using descriptive and inferential statistics. Descriptive statistics (mean, standard deviation, and percentages) were used to summarize the demographic characteristics and general trends in customer responses. Inferential statistics, specifically multiple regression analysis, were employed to examine the relationship between service convenience dimensions and customer satisfaction. The data was analyzed using Statistical Package for the Social Sciences (SPSS) version 28 been one of the best applications to run research analysis especially in the field of management and social science.

Model Specifications

The study adapted model from Dabholkar, Shepherd, and Thorpe (2000) where their Service Convenience Model emphasizes dimensions like decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience, which align with factors such as time efficiency, accessibility, and technological integration.

$Y = f(X)$
Y = Dependent variable (Customer satisfaction)
X= Independent variable (Service convenience)
Thus $CS = f(SC)$
$y_{Ii} = \beta_0 + \beta_1 x_1 + e_i$

$y_i = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + e_i$
Where
β_0= Common Concept
β_1 = Coefficient of the Independent Variable
x_1 = Time efficiency
x_2 = Accessibility
x_3 = Technological integration
x_4 = location proximity
e_i= Error term

Results and Discussions

Demographics

The study surveyed a total of 240 respondents, with a gender distribution of 55% male and 45% female. In terms of age, the majority of respondents (45.4%) were aged 46 years and above, followed by 36–45 years (26.3%), while younger age groups, including those below 25 years (17.9%) and 25–35 years (10.4%), were less represented. Regarding marital status, a significant proportion (58.3%) were married, while 14.2% were single. Divorced and widowed respondents accounted for 9.6% each, and 8.3% identified as belonging to other categories. In terms of educational qualifications, the highest proportion of respondents (36.7%) held a B.Sc./HND, followed by those with a school certificate (17.9%). Postgraduate degree holders made up 11.7%, while 14.6% had ND/NCE qualifications. Respondents with secondary education and other qualifications accounted for 10.4% and 8.8%.

Descriptive Analysis of Convenience Service

Table 1 presents the descriptive analysis of convenience service, highlighting customer perceptions of the company's service accessibility and effectiveness. The results indicate that respondents generally found the customer service channels (e.g., email, phone calls, chats) to be convenient, with a mean score of 3.775 (SD = 1.12754). Additionally, the convenience of customer service was found to positively influence overall satisfaction with the company's products and services, though with a slightly lower mean of 3.5458 (SD = 1.18833). Customers also expressed a willingness to recommend the company based on the convenience of its service (M = 3.8667, SD = 1.14937). Notably, the highest-rated aspect was the time-saving benefit of the service compared to alternatives, receiving a mean of 4.1042 (SD = 0.80375). Similarly, the quality of customer support was rated favorably, with a mean of 4.0458 (SD = 0.75572). These findings suggest that service convenience plays a crucial role in shaping customer satisfaction and advocacy.

Table 1: Descriptive Analysis of Convenience Service

Statement	N	Mean	Std. Deviation
The customer service channels (e.g., email, phone calls, chats, etc.) offered by the company were always convenient for me.	240	3.775	1.12754
The convenience of the firm's customer service positively influences my overall satisfaction with their products/services.	240	3.5458	1.18833
I would like to recommend this company to others based on the convenience of their customer service.	240	3.8667	1.14937
The convenient service saved my time compared to other alternatives.	240	4.1042	0.80375
The quality of customer support provided during the service was excellent.	240	4.0458	0.75572

Source: Researcher Computation (2025)

Descriptive Analysis of Satisfaction

Table 1 provides a descriptive analysis of customer satisfaction, reflecting respondents' evaluations of the company's products, services, and customer care. The findings indicate that customers generally perceive the firm’s products and services as meeting high standards, with a mean score of 3.7333 (SD = 1.04087). Overall satisfaction with the company, based on expectations being met, received a slightly higher mean of 3.8417 (SD = 0.96374). Furthermore, respondents acknowledged the company's effectiveness in addressing concerns and complaints, which was rated at 3.8917 (SD = 0.93106), suggesting a relatively strong performance in customer service resolution. Additionally, the perception that standard and regulated products and services contribute to customer satisfaction was reflected in a mean score of 3.7125 (SD = 1.06123). However, the lowest-rated aspect was the belief that the company genuinely cares about customer satisfaction, with a mean of 3.4083 (SD = 1.26091), indicating a potential area for improvement. Overall, the analysis highlights that while the company performs well in product quality and issue resolution, there may be a need for more personalized engagement to strengthen customer trust and loyalty.

Table 2. Descriptive Analysis of Customer Satisfaction

Statement	N	Mean	Std. Deviation
The firm’s products/services consistently meet high standards and are always satisfactory.	240	3.7333	1.04087
Overall, I am satisfied with my experience with the company as it meets my expectations.	240	3.8417	0.96374
The company effectively addresses my concerns and complaints.	240	3.8917	0.93106
Customers’ perception of a retail store with standard and regulated products and services builds customer satisfaction.	240	3.7125	1.06123
I believe the company genuinely cares about its customers’ satisfaction.	240	3.4083	1.26091

Source: Researcher Computation (2025)

Hypotheses Testing

HO1: Service convenience has no significant relationship with customer satisfaction in store – based retail outlets in Ilorin.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.663[a]	0.526	0.516	.38885

a. Predictors: (Constant), Time efficiency, Accessibility, Technological integration and location proximity

b. Dependent Variable: Customer Satisfaction

The model summary in table 3 reveals a strong relationship between the predictor variables — Time Efficiency, Accessibility, Technological Integration, and Location Proximity — and the dependent variable, Customer Satisfaction. The correlation coefficient (R) of 0.663 indicates a significant positive relationship, suggesting that improvements in these factors are likely to enhance customer satisfaction.

Furthermore, the R Square value of 0.526 shows that the model explains approximately 52.6% of the variation in customer satisfaction. This means that more than half of the changes observed in customer satisfaction can be attributed to the combined influence of these four predictors. The

adjusted R Square value of 0.516 further supports this finding, indicating that the model remains robust even when accounting for the number of predictors included.
The standard error of the estimate is 0.38886, which represents the average deviation of the predicted customer satisfaction values from the actual data points. This relatively low value suggests that the model's predictions are fairly precise.

Table 4: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.594	4	.398	2.635	.000[b]
	Residual	57.311	379	.151		
	Total	58.904	383			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Time efficiency, Accessibility, Technological integration and location proximity
Source: Researcher Computation (2025)

Table 4 provides insights into the overall significance of the regression model used to predict Customer Satisfaction. The results reveal that the model effectively explains a significant portion of the variation in customer satisfaction.

The regression sum of squares is 1.594, indicating the amount of variation in customer satisfaction that can be attributed to the combined influence of the four predictor variables — Time Efficiency, Accessibility, Technological Integration, and Location Proximity. In contrast, the residual sum of squares is 57.311, representing the unexplained variation or differences that the model could not account for. Together, these two values result in a total sum of squares of 58.904, which reflects the total variability observed in customer satisfaction scores.

The model's F-statistic is 2.635, which tests whether the inclusion of the predictor variables significantly improves the model's ability to predict customer satisfaction compared to a model without predictors. The corresponding p-value (Sig.) is 0.000, which is well below the conventional significance threshold of 0.05. This indicates that the regression model is statistically significant, confirming that the combined effects of the predictors meaningfully influence customer satisfaction.

Table 5: Coefficient

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sign
1	(Constant)	1.409	0.309		6.738	.000
	Time efficiency	0.256	0.165	0.223	2.408	.001
	Accessibility	0.190	0.151	0.190	1.769	.000
	Technological integration	0.162	0.182	0.140	.758	.000
	location proximity	0.117	0.158	0.115	0.383	.000

a. Dependent Variable: Customer Satisfaction
Source: Researcher Computation (2025)

The coefficient table provides valuable insights into how each predictor variable contributes to Customer Satisfaction. The constant value of 1.409 represents the baseline level of customer satisfaction when all four predictors — Time Efficiency, Accessibility, Technological Integration, and Location Proximity — are held at zero. This suggests that even without improvements in these factors, a certain level of customer satisfaction exists.

Among the four predictors, Time Efficiency has the strongest influence, with an unstandardized coefficient of 0.256. This means that for every one-unit increase in time efficiency, customer satisfaction is expected to improve by 0.256 units, assuming other variables remain constant. The significance value ($p = 0.001$) confirms that this relationship is statistically significant. Accessibility also plays a substantial role, with a coefficient of 0.190, indicating that a one-unit increase in accessibility will result in a 0.190-unit increase in customer satisfaction. The significance value ($p = 0.000$) reinforces the reliability of this effect.

Similarly, Technological Integration has a positive effect on customer satisfaction, with a coefficient of 0.162, meaning a one-unit increase in technological integration would improve customer satisfaction by 0.162 units. This effect is also statistically significant ($p = 0.000$). Lastly, Location Proximity has the smallest impact, with a coefficient of 0.117, suggesting that a one-unit increase in location proximity would increase customer satisfaction by 0.117 units. Despite being the least influential factor, its significance value ($p = 0.000$) confirms that its effect is still meaningful.

In terms of relative influence, the standardized coefficients (Beta values) highlight that Time Efficiency exerts the greatest impact, followed by Accessibility, Technological Integration, and Location Proximity. All four predictors positively and significantly influence customer satisfaction, with Time Efficiency standing out as the most impactful factor. This finding underscores the importance of improving service efficiency alongside enhancing accessibility, integrating technology, and ensuring strategic location proximity to maximize customer satisfaction.

Discussion

The regression analysis results from this study reveal that service convenience does not significantly influence customer satisfaction in the studied retail context. This finding deviates from several existing studies that have emphasized the crucial role of service convenience in shaping customer perceptions and fostering loyalty. For instance, Sheeraz et al. (2023) found that ordering and searching convenience had a significant impact on customer satisfaction among Indian e-retailers. However, their study also highlighted that logistics and reverse logistics had minimal effects, suggesting that not all dimensions of service convenience contribute equally to customer satisfaction. This aligns with the current study’s findings, reinforcing the idea that certain aspects of convenience may have limited relevance in traditional retail environments.

Similarly, Shan and Younghwan (2023) identified a strong relationship between service convenience and customer satisfaction in self-service fitness centers, particularly in unstaffed facilities. This finding underscores that convenience may hold greater significance in environments where human interaction is limited — a contrast to the retail context explored in this study, where interpersonal interactions and product accessibility may outweigh the impact of convenience.

In addition, while Saha et al., (2020) and Ezenta and Osagie (2021) confirmed the significance of service convenience in online retail and healthcare sectors, they acknowledged that their findings may not fully apply to traditional retail settings. This aligns with the present study’s results, suggesting that in retail contexts where face-to-face interactions and physical product inspection are common, convenience may play a less prominent role.

Furthermore, Setyo et al., (2023) and Jennifer et al. (2022) emphasized the importance of transaction and post-benefit convenience in driving customer loyalty. However, their focus on specific industries highlights that the influence of convenience can vary significantly across sectors. This further supports the conclusion that service convenience may not be a universal determinant of customer satisfaction, especially in retail environments with distinct operational characteristics.

While previous research underscores the relevance of service convenience in certain contexts, the present study's findings suggest that in traditional retail settings, other factors such as time efficiency, accessibility, technological integration, and location proximity may exert a stronger influence on customer satisfaction. This highlights the need for retail businesses to prioritize these elements to enhance customer experiences and foster satisfaction.

Conclusion and Recommendations

Conclusion

The findings of this study demonstrate that service convenience does not significantly influence customer satisfaction in the studied retail context. This outcome contrasts with prior research that emphasized the importance of service convenience, particularly in online retail, healthcare, and self-service environments. Instead, the results highlight that factors such as time efficiency, accessibility, technological integration, and location proximity play more substantial roles in shaping customer satisfaction. This suggests that while service convenience may enhance customer experiences in some industries, its influence in traditional retail settings may be less pronounced. The study underscores the importance of retail businesses focusing on optimizing these key factors to improve customer satisfaction. Enhancing time efficiency, improving accessibility, leveraging technological integration, and strategically positioning retail outlets can collectively foster positive customer experiences and sustain loyalty.

Implications of Findings

1. Retail stores must streamline checkout processes, reduce waiting time, and optimize store layout for ease of movement. This is crucial for enhancing decision convenience and transaction convenience.
2. Improvement on technological enhancements (e.g., mobile payment, loyalty apps) can reduce perceived convenience. Implement digital solutions like mobile apps for product location, QR-code-based promotions, and digital wallets for faster transactions.
3. Ignoring customer complaints and suggestions can weaken trust and loyalty. Establish an active customer feedback system, analyze trends, and implement changes based on recurring issues.

Recommendations

Based on the findings, the following recommendations are proposed:

1. Retail businesses should streamline their processes to minimize waiting times, enhance checkout speed, and improve service delivery to boost customer satisfaction.
2. Implementing efficient queuing systems and optimizing staff deployment can improve overall time efficiency. Also, retailers should focus on improving store layouts, ensuring easy navigation, and providing adequate signage to enhance customer access.
3. For online platforms, user-friendly interfaces and efficient search features should be prioritized. Retailers should adopt digital solutions such as self-service kiosks, mobile payment systems, and customer relationship management (CRM) tools to improve service delivery and enhance customer engagement. Establishing retail outlets in

strategic locations, particularly near residential areas, business districts, and public transport hubs, can increase customer convenience and satisfaction.

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LEASING, FINANCIAL LITERACY AND FINANCIAL PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN KADUNA STATE

[1]Muhammad Sani Gani & [2]Salisu Ali Hamza

[1]Faculty of Management Studies, Nigerian Defence Academy, Kaduna
[2]Faculty of Management and Social Sciences, Taraba State University, Jalingo
[1]msani141@gmail.com, [2]salisalham@gmail.com

Abstract

Small and Medium Enterprises (SMEs) play a vital role in driving economic development globally and within Nigeria. Despite this, a significant number of formal SMEs face substantial challenges in accessing formal sources of capital, which hinders their growth and operational performance. This research explores the moderating role of financial literacy in the relationship between leasing and the performance of SMEs. The study analysed data collected from 214 SMEs in Kaduna State using the Partial Least Squares Structural Equation Modelling (PLS-SEM) technique to test the proposed framework. The results indicate that leasing exerts a positive influence on the performance of SMEs, and that financial literacy significantly moderates this relationship, particularly with regard to financial performance. Theoretically, the study enhances the application of the Resource-Based View (RBV) by deepening the understanding of how leasing and financial literacy interact to influence SME performance. From a practical standpoint, the findings offer valuable insights to policymakers, SME owners and managers, and development stakeholders on the importance of promoting financial literacy to maximize the benefits of leasing. The study recommends that the government and relevant agencies should invest in expanding leasing opportunities and prioritize financial literacy training to support SME development.

Keywords: Financial Literacy, Leasing, Kaduna State, SMEs Performance

Introduction

Small and Medium Enterprises (SMEs) play a crucial role in the global economy, with particular significance for Nigeria. According to Karmaker et al., (2023), SMEs are fundamental to economic systems, especially in developing nations. They contribute to economic advancement by generating employment, enhancing consumer spending capacity, and increasing tax income (SMEDAN, 2021). Characterized by a relatively small workforce and limited revenue, SMEs have been acknowledged as essential drivers of sustainable economic growth worldwide (World Bank, 2022). Their flexibility enables them to adapt, expand, and thereby promote economic resilience (Bilek, Faustin & Yusuf, 2022).

Globally, SMEs constitute the majority of businesses and play a significant role in job creation and economic progress (Enaifoghe, 2023). They account for approximately 90% of all enterprises and provide over half of total employment globally (Melo et al., 2023). These figures increase substantially when informal SMEs are considered. The World Bank (2022) projects that by 2030, the global labour market will require around 600 million new jobs to accommodate a growing workforce, making SME development a critical focus for governments worldwide. In many emerging economies, SMEs generate seven out of every ten formal jobs. In Nigeria specifically, data from the National Bureau of Statistics (NBS) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) reveal that although there are more than 39 million SMEs, only about 4,234,740 (roughly 10.86%) are currently active and productive (NBS & SMEDAN, 2022).

Despite government efforts, Nigeria's SME sector continues to underperform, largely due to an unstable business environment and high failure rates, with 80% of SMEs collapsing within five years. Challenges such as limited access to finance, poor risk management, and unique operational difficulties restrict SME growth and long-term development contributions. Leasing has been proposed as a viable alternative financing option, involving temporary asset usage without ownership, which can enhance growth and productivity. Through leasing, SMEs can access crucial assets like equipment and vehicles without heavy upfront costs, preserving working capital for operational needs. Without leasing, SMEs risk constrained adaptability, diverted resources, and reduced investment in growth opportunities. Thus, leasing can support SME profitability, operational efficiency, and market responsiveness. By reducing financial expenditures and lowering the price of external funds resulting from asymmetric information, leasing can help to mitigate the underperformance of SMEs due to lack of resources, especially finance (Smith & Wakeman, 1985). Leasing helps SMEs in enhancing their flexibility, since leasing provides SMEs with the flexibility to acquire and use assets without full ownership, making it easier to upgrade to newer technologies and adapt to changing business needs (Merrill, 2020).

While possessing financial flexibility could potentially enhance firms' performance, possessing financial literacy skills are critical for growth and profitability (Molina-Garcia et. al., 2023). Financial literacy involves the ability to understand and effectively manage financial resources and make sound money-related decisions (Lontchi, Yang & Shuaib, 2023). For SMEs, possessing such knowledge is crucial for making strategic financial choices, including selecting the right financing methods and leveraging leasing arrangements to boost performance (Adewumi & Cele, 2023; Tarek et al., 2020). However, many SMEs lack this financial awareness, which limits their ability to access formal funding sources (Nugroho, 2023). As a result, these businesses often appear less credible to lenders, reducing their chances of securing the capital needed for expansion and long-term growth (Meressa, 2023).

Prior studies have reported a positive link between leasing and SME performance (Rathnayake, Fernando & Fernando, 2019; Widnyana, Wijana & Al-Muntasir, 2021; Kijkasiwat, et al., 2022), although the studies of (Trisnasih, Layyinaturrobaniyah & Siregar, 2020; Zylfijaj & Nikoloski, 2021; Shamsudeen, Keat & Hassan, 2017; Adegboye & Iweirebor, 2018; Onyiego, 2017) have found negative correlations. Given these varying findings, this research aims to introduce a moderating variable to bridge the gap in the literature. According to Hayes (2017), a moderator is a variable introduced to strengthen or weaken the relationship between two variables. Hence, the study investigated the moderating effect of financial literacy on the relationship between leasing and SMEs performance. In the light of the foregoing, the following hypotheses are raised to guide the study:

Literature Review

Concept of Leasing

According to International Accounting Standards Board (IASB, 2018), a lease is "a contract, or part of a contract, that provides the right to use an asset (the underlying asset) for a period of time in exchange for compensation." The lessee is the party that receives the right to use the asset for the duration of the contract; the lessor is the party who transfers the asset in exchange for payment. The lessor is required by International Financial Reporting Standards (IFRS) to categorise each lease as a financing lease or an operating lease. The lease is categorized as a finance lease when the lessee receives a significant transfer of the responsibilities and advantages associated with asset ownership. However, an operating lease is a lease in which the terms of the agreement do not transfer the risks and rewards related to using the underlying asset in this manner. Fayyad, (2023) defines leasing as a contract that permits the use of a specific asset in exchange for a known compensation over a defined period. These contracts allow the lessee to eventually acquire ownership of the asset, provided that the agreement adheres to specific conditions

Furthermore, according to Alam, (2021), leasing is defined as a financial arrangement wherein the owner of an asset (the lessor) grants another party (the lessee) the right to use that asset in exchange for periodic payments, known as lease rentals. Instead of purchasing an item, leasing enables renting or leasing its services. It is a legal agreement whereby the owner of a property (the lessor) gives another person (the lessee) the sole right to use the property, typically for a predetermined period of time, in exchange for the payment of rent. The phrase "leasing" refers to renting out commercial property like computers, factories, ships, airplanes, vehicles, trucks among others. It permits a company to make use of an asset's services without purchasing it. Immovable property such as buildings, manufacturing sheds, office space, and land among others is also covered by leasing.

Concept of Financial Literacy

Financial literacy refers to a comprehensive set of knowledge, skills, attitudes, and behaviors that enable individuals and entities to make informed and effective financial decisions, ultimately promoting financial and economic well-being (Atkinson & Messy, 2012; Omakhanlen, 2021). It encompasses the understanding of fundamental financial concepts, such as budgeting, saving, investing, borrowing, and the use of financial products and services. Financial literacy extends beyond mere awareness, involving the capacity to apply financial knowledge in real-life situations to enhance financial outcomes.

Tuffour, Amoako & Amartey, (2022) emphasized that financial literacy is not only an individual attribute but also a determinant of organizational behaviour, as it shapes the firm’s value system and attitudes toward financial planning and risk management. This, in turn, influences the financial decisions made within the firm, often resulting in improved financial performance and sustainability. Therefore, fostering financial literacy at both individual and institutional levels is essential for achieving long-term financial stability and resilience in dynamic economic environments.

Concept of Financial Performance

According to Nazir and Jamal (2020), performance is the sum of all achievements that can be measured objectively in a certain field of endeavour. Performance is the capacity to meet predetermined goals (Gathungu & Sabana, 2018). Hoque, (2018) states that a company's performance indicates how well it is operating. Financial performance is an assessment of a firm’s economic health (Purnama et. al., (2020). The process involves analyzing fiscal outcomes which in turn guides stakeholders on the financial strength of a firm.

Leasing and Firms Financial performance

Investor returns and accounting returns are the two main categories under which general financial performance metrics can be divided. Investor returns should be measured from the perspective of the shareholders, according to the fundamental principle (Chen, et al., (2022). Accounting returns put a lot of emphasis on how company earnings react to various managerial strategies. This study focuses on return on assets (ROA) and return on equity as accounting-based performance measurements (ROE). These are the most commonly used financial performance indicators.

The study of Lois, (2023) titled Lease Financing and Financial Performance of Listed Construction and Real Estate Companies in Nigeria, investigates how lease financing (financial lease and operating lease) affects the financial performance (net profit margin and return on equity) of listed construction and real estate firms in Nigeria. The study used an ex-post facto research design, with secondary data collected from annual reports of six listed firms between 2011 and 2020, and applied multiple regression analysis using Stata 12. The results showed that financial lease had a positive and significant effect on financial performance, while operating lease had a positive but insignificant effect.

However, the study is limited to only six companies in one sector, which may restrict generalizability to SMEs across various industries. The study did not focus on SMEs or explore how lease financing impacts smaller, unlisted firms which may face different financial constraints. Further studies could extend the analysis to SMEs in different sectors to assess the broader implications of lease financing on financial performance in Nigeria.

H_{01}: There is no significant relationship between leasing and SMEs performance

Moderating Effect of Financial Literacy

Building on Social Cognitive Theory, which emphasizes the role of knowledge, self-efficacy, and behavioural capability in influencing actions (Bandura, 1986), it can be argued that financial literacy shapes how firms access and utilize financial resources. Financial literacy moderates the relationship between access to finance and firm growth by enhancing the firm’s ability to effectively use available resources, thereby strengthening and making the relationship significant. Financial literacy refers to the knowledge and skills required to make informed and effective financial decisions (Kefela, 2011). Leasing involves the use of leased assets to obtain financing for business operations (Miller & Upton, 1976).

H_{02}: Financial literacy does not moderate the relationship between leasing and SMEs performance.

Theoretical Framework

Resource Based-view Theory

The Resources Based View (RBV) theory, as outlined by Crook, Ketchen, Combs, and Todd (2008), explains how resources influence performance. This framework encompasses an array of strategically relevant resources that impact a firm's success (Spillan & Parnell, 2006). Within the RBV framework, businesses exhibit distinct behaviours due to their access to and control over diverse resources (Barney, 1991). These assets and capabilities can lead to enhanced performance (Abaho, et al., 2016). As per the RBV perspective, companies with valuable, rare, inimitable, and non-substitutable (VRIN-criteria) resources and competencies can establish enduring competitive advantages through value-generating strategies challenging for competitors to replicate (Barney, 1991).

Penrose (1959) asserts that resources and skills drive internal advancement. A company's resources fundamentally determine its growth and profitability (Abaho, et al., 2016). Consequently, resources (such as leasing and financial literacy) are intrinsically tied to a firm's tangible and intangible asset inventory. Faced with internal challenges and resource limitations, leasing and financial literacy are vital for organisations to cultivate capabilities that enhance performance (Liang, You, & Liu, 2010).

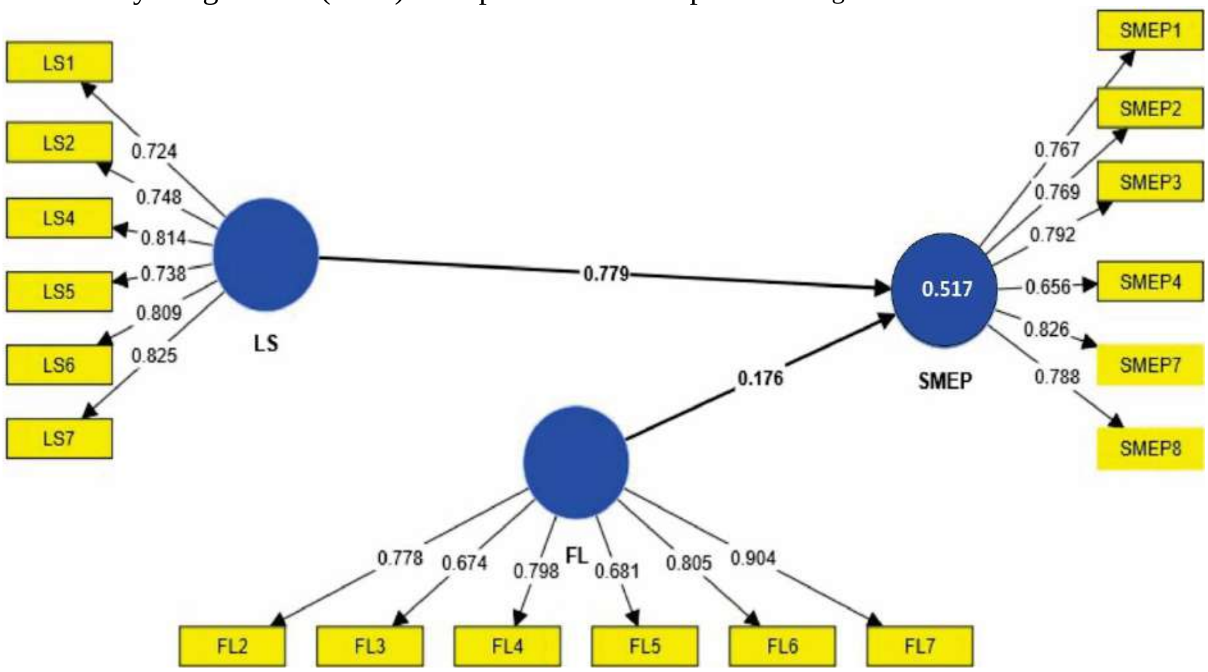
Materials and Method

The study targeted a population of 472 SMEs operating in Kaduna State, from which a sample of 214 was selected based on the Krejcie and Morgan (1970) sample size determination table. This sample included SMEs from both the service and manufacturing sectors, balancing statistical rigor with practical considerations such as available resources and logistical constraints. A simple random sampling method was applied using Microsoft Excel to ensure every SME in the population had an equal chance of selection, aligning with the definition provided by Kothari et al. (2009). The names of all firms were entered into Excel, assigned random numbers, and then sorted to randomly select the final sample, with the owners or managers serving as respondents. Primary data were gathered through structured questionnaires. The reliability of the instruments was verified using Cronbach’s alpha. Data analysis was performed with SMARTPLS 4 software utilizing Structural Equation Modeling (SEM). Findings were reported using frequency distributions, percentages, and multiple regression analysis. Measurement scales for the variables were adapted from established literature and employed a five-point Likert scale to effectively capture respondents’ perceptions and support quantitative analysis. Specifically, SME performance (dependent variable) was measured with eight items adapted from Spillan and Parnell (2006), financial literacy was assessed with eight items adapted from Atkinson and Messy (2012), and leasing was measured using nine items adapted from Anderson and Bird (1980).

Results and Discussions

This research employs the Structural Equation Modelling (SEM) technique, which is widely acknowledged as a robust method in management and entrepreneurship studies (Boubker, Arroud & Ouajdouni, 2021). Initially, SEM helps to identify predictive causal relationships between variables (Zhao, Lynch Jr., & Chen, 2010). The study further utilizes Partial Least Squares (PLS) combined with Confirmatory Factor Analysis (CFA) to examine the proposed hypotheses. The advantage of this approach lies in its higher precision compared to other methods, especially when dealing with small sample sizes (Dash & Paul, 2021).

This section details the measurement or outer loading aspect of the model, which forms part of the SEM framework. It illustrates the connections between latent constructs and their observed indicators (Becker et al., 2012). The outer model's parameter estimates are represented by loadings, as noted by Ringle et al. (2012). The path model is depicted in Figure 1.



From the figure 1 it shows the loadings of respective indicators/items for the constructs and hence, it's reported by the reliability and validity, and discriminates validity.

Table 1: Test of Hypotheses

	Original Sample (O)	Standard Deviation (STDEV)	T statistics	P Values	Decision
LS->SMEP	0.770	0.031	25.043	0.000	Rejected
FL x LS->SMEP	0.250	0.035	7.143	0.000	Rejected

Table 1 summarizes the assessment of the relationship between the constructs (endogenous and exogenous), it shows the bootstrapping procedure for testing the hypotheses and evaluate the significance between constructs (Henseler et al. 2015). The table further elucidates that all constructs in the model are with a critical value of 1.96 for the two-tailed test at significant level $p < 0.05$.

H_{01}: Leasing does not affect SMEs performance ($\beta = 0.770$, t-value 25.043 and P value = 0.000). With the hypotheses in null form, the interpretation of the result shows that leasing with a beta value of 0.770 and p value of 0.000 affects the performance of SMEs and can be said that the hypothesis which states that leasing does not affect the performance of SMEs is rejected.

Conclusion and Recommendations

In conclusion, the findings from the analysis confirm that leasing has a significant positive effect on the performance of SMEs, aligning with prior studies by Rathnayake et al., (2019), Widnyana et al., (2021), and Kijkasiwat et al., (2022). Moreover, the results reveal that financial literacy significantly moderates this relationship, enhancing the positive impact of leasing on SME performance. This moderating effect supports the conclusions drawn by Hayes (2017) and Vij and Farooq (2017), thereby reinforcing the critical role of financial literacy in optimizing financial decision-making and resource utilization among SMEs.

Limitations

This study tested two hypotheses using cross-sectional data from a sample of SMEs in Kaduna State, analysed through SmartPLS 4 software. While it provides important insights into the impact of leasing and financial literacy on SME performance, the major limitation lies in its restricted geographical scope. Focusing solely on Kaduna State limits the generalizability of the findings to other regions or contexts in Nigeria. Moreover, the study does not account for differences across various SME sub-sectors such as construction, building, accommodation and restaurant services, waste management, and mining or quarrying, which may experience different dynamics. Future research is encouraged to replicate this study across diverse regions and industries and to explore additional financing options such as peer-to-peer (P2P) finance, crowdfunding, and bootstrapping to provide a more comprehensive understanding of SME financing and performance.

Recommendations

In light of these findings, it is recommended that governments and relevant stakeholders intensify efforts to raise awareness about the benefits of leasing among SMEs. This can be achieved through targeted outreach and education campaigns, helping business owners understand how leasing can support operational sustainability and growth.

Furthermore, the study also recommends the development and implementation of comprehensive financial literacy programs specifically designed for SME owners and managers. These programs, delivered through workshops, seminars, and public-private initiatives, should aim to improve the financial decision-making capacity of SMEs, enabling them to take full advantage of available financing options such as leasing.

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EFFECT OF ORGANIZATIONAL STRUCTURE ON EMPLOYEE PERFORMANCE OF ENTREPRENEURIAL FIRMS IN DELTA STATE, NIGERIA

[1]CHUKWUKA, Ernest Jebolise Ph.D & [2]IMIDE, Israel Onokero Ph.D

[1]Department of Entrepreneurship and Business Innovation, University of Delta, Agbor
[2]Department of Economics, University of Delta, Agbor
[1]ernest.chukwuka@unidel.edu.ng, [2]Israel.imide@unidel.edu.ng
[1]+2348104174541, [2]08034777501

Abstract

This study investigated some selected entrepreneurial organizations in Asaba, Delta state with a view to ascertaining the exact effect of Organizational Structure on Employee Performance. An employee-centric organizational structure is the bedrock for employee productivity and organizational growth. This study employed a systematic review of over 80 research articles from several international and reputable journals of related topics in order to determine the nature of connections and comprehend the motivations, viewpoints, theories, empiricism, and opinions of scholars and their findings. This study discovered that Decentralization of control has a direct and positive connection with employee performance and organizational growth and is also essential for employee productivity and organizational performance. It also speeds up the delivery of employee services to clients and the company. It engenders self-motivation and innovation and creativity. The study found that decentralization has a beneficial impact on psychological empowerment whereas centralization has a negative one. This indicates that employee empowerment and the decentralization aspect of organizational structure are significantly correlated. This study concludes that performance of the employee and the general performance of the organization strongly depend on the nature of the organizational structure adopted and that there are a number of organizational structure components that can improve or reduce worker performance. This study also concluded by indicating that companies who do not have a structure that is suitable for their staff will undoubtedly experience issues with employee performance. This study therefore recommends an employee-centric organizational structure for improved employee and organizational performances. Every firm looking to improve employee performance is advised to take structural dimensions of the organization into cognizance.

Keywords: Employee Performance, Entrepreneurial Firms, Organizational Performance, Organizational Structure, Organogram.

Introduction

Scholars of organizational behavior have recently focused on the relationship between organizational structure and employee performance. Organizations have goals and objectives to accomplish, and this can only be accomplished through the coordinated efforts of workers. The framework in which these goals and objectives are carried out is known as the organization's structure, and it is this structure that determines the level of employee performance because it defines the allocation of tasks and authority (Adeoye 2018). The arrangement of tasks and the relationships between different departments and levels of authority in order to accomplish goals is referred to as organizational structure. The sort of structure in place and the amount to which workers are permitted to have access to information, feel free to choose their own activities, and have the potential to influence administrative processes define the degree of employee freedom and strong engagement in management processes (Shahriari et *al.*, 2013).

There is hardly any company that does not have expansion and profit as its primary goals. The proportion of market share gained and clients serviced is the primary indicator of a company's growth. By selecting how to approach the markets and Customers, people are assigned into distinct strategic positions to execute the tactics and work toward the goals set out by the company. Organizational structure is essential to any organization's ongoing existence because it places people in strategic positions of power and responsibility with the goal of accomplishing organizational objectives (Nwosu 2020). Since an organization's performance is determined by its structure, designing a structure that meets the demands of the business is a significant problem.

However, each structure has pros and cons that vary depending on the type of organization. Weir (1995) used empirical evidence to establish the relationship between organizational structure and corporate performance and found that firms that adopted the appropriate structure yield higher profits than those that did not, while Williams (1997) confirmed a positive relationship between organizational structure and strategic planning.

Employee performance is influenced by a wide range of organizational structure factors, both favorably and unfavorably. Centralization, formalization, complexity, and specialization are these aspects. Centralization, formalization, specialization, and standardization are the most important and productive aspects of organizational structure, according to Nwizia, Ojiabo, and Alagah (2017). Self-determination, trust, competence (self-efficiency), impact having an influence on strategic concerns, and meaning are, on the other hand, employee performance criteria that assess the worth of labor in relation to others. Both structural and psychological perspectives can be used to assess employee performance (Mohammad & Mehrdad, 2013).

Statement of Problem

Many scholarly studies have attributed one of the problems of poor employee performance as organizational structural complexities that discourage innovation and creativity amongst the employees. Most organization adopted an organizational structure that favours top management and owners of the organizations at the expense of employees. This has led to poor employee motivation and performances. Poor employee performances witnessed in some organizations within Delta state is a problem that this study want to unravel. This is the justification for this study which seeks to ascertain the extent organizational structure affect employee performance and also to determine the type of organizational structure that improves employee performance. The literature review exposed this as a gap that this study wants to fill because no other previous research has comprehensively addressed this problem.

Literature Review

The concept of Organizational Structure

An organizational structure is the framework that specifies how tasks, roles, and responsibilities are distributed, managed, and controlled inside an organization in order to accomplish its objectives (Shahriari et *al.* 2013). Serving as a kind of organizational chart, it describes how various teams or departments collaborate and who is responsible for what. Organizations are composed of many levels and have various duties that need to be completed. The Organizational structure is an organogram that outlines the distribution of responsibilities among employees and the levels of authority. According to Welhrich, Cannice, and Koonts (2011), organization denotes a purposefully defined system of functions or responsibilities. According to Nwizia, Ojiabo, and Alagah (2017), an organization's whole structure resembles a pyramid, with managers and employees controlling each other at different levels.

According to Kazmi (2008), organizational structure is a setup that establishes the framework for allocating power and accountability inside a company. It illustrates the delegation of power and accountability among the many roles inside the company. The framework offers broad community levels, task distribution, communication patterns, and coordination (either horizontal or vertical). According to Shahriari et *al.* (2013) organizational structure is a means of allocating authority, responsibility, and power to workers. It is a pattern that enables members of organizations to carry out working processes and procedures. Onyeche (2016) asserts that organizational structure created a pattern of interactions between the organization's members and different parts.

The framework of relationships on the job, system, operating procedure, individuals, and groups of individuals working diligently to accomplish the organization's declared objectives is known as the organizational structure. Ahmady, Mehrpour, and Nikooravesh (2016) quote Schemi as saying that there are three approaches to build organizational structure: functional, inclusion, and hierarchical. The functional dimension displays the many tasks carried out inside the company. The inclusion dimension indicates how close or how far away each individual is from the organization's core. Using a similar technique to an organizational chart, the hierarchy dimension displays the relative rankings of organizational units. The operations carried out, employee levels, and the separation between each employee and their duties are often displayed by organizational structure.

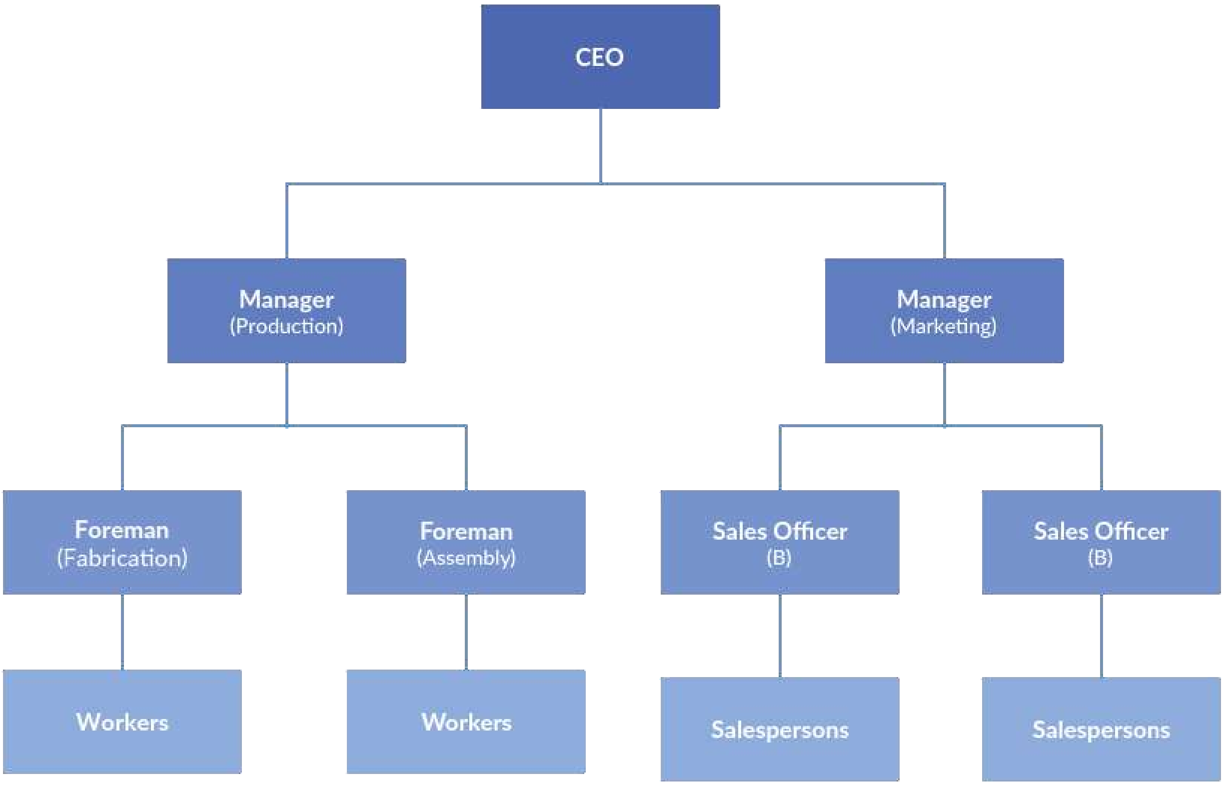
The Concept and the Categorization of Organogram

A visual depiction of an organization's structure is called an organogram, sometimes referred to as an organizational chart or organigram. It illustrates the connections between departments, managers, and workers. The complexity of these diagrams can vary from basic, which merely display the top-level hierarchy, to intricate, which include comprehensive details on different departments, sub-units, and management levels. Selecting a framework for your organogram that accurately depicts the procedures and structure of your organization is crucial (University of Minnesota Business Review 2025).There are three primary categories of organograms to take into account according to University of Minnesota Business Review (2025). These include:

Hierarchical organogram

Organizations with a hierarchical structure operate from the top down. These work best in organizations with a single leader at the top and several tiers of workers below. The highest authority and decision-making power go to the person at the top, who is frequently a president or CEO. As one moves down the hierarchy, the level of authority diminishes.

Fig 1. Hierarchical organogram



Source: ***University of Minnesota Business Review (2025)***

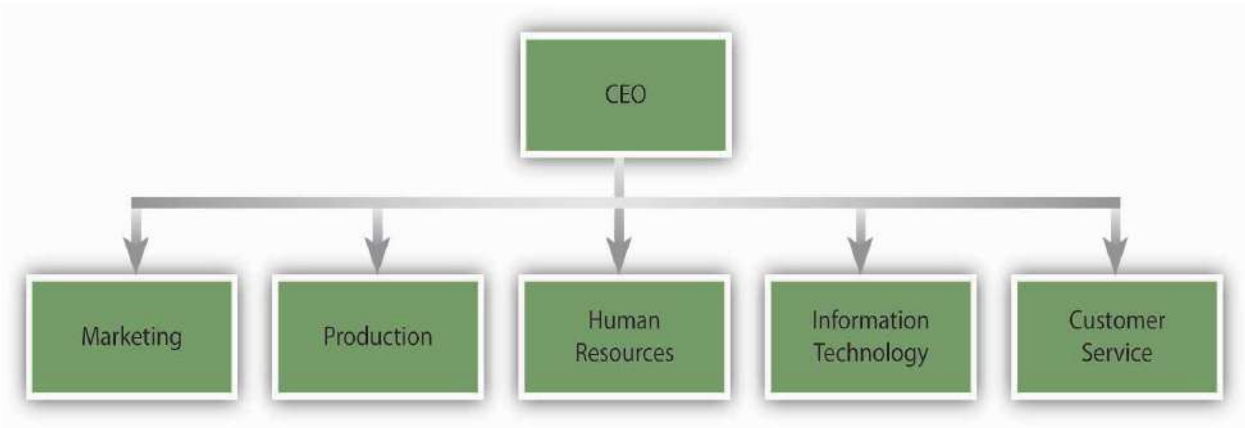
Matrix organogram

A matrix organogram illustrates how staff members may answer to multiple managers in a company. A graphic designer, for instance, might answer to both the team lead of the projects they are working on and the chief creative officer. These project-based charts are rich in context, but they could easily become out of date.

Flat organogram

This simplified form offers a department-by-department overview of a company. Organizations with few levels of management and a high percentage of autonomous workers are best suited for flat organizational charts. This kind of organizational structure is typical in small businesses where employee empowerment, autonomy, and creative control are valued highly.

Fig 2: Flat organogram



Source: ***University of Minnesota Business Review (2025)***

Dimensions of Organizational Structure

Although various researchers use different metrics to measure organizational structure, Nwizia, Ojiabo, and Alagah (2017) pointed out that the main components of organizational structure design are formalization, centralization, specialization, and standardization. According to Shahriari, Maleki, Koolivand, and Meyvand (2013), organizational structure aspects include formality, complexity, centralization, and decentralization. Pugh (1968) also employed specialization, standardization, configuration, and formalization; centralization and decentralization are useful aspects of organizational structure. Centralization and decentralization are two aspects of organizational structure that will be used in this study.

Centralization

Centralization is the process by which a certain group of individuals at the top of the organizational structure establishes a formal decision-making authority. The degree of authority where a person has the ability to make decisions is known as centralization in an authority hierarchy. A centralized organization is one in which decisions are made at the highest levels of the company (Fred, 2012). Authority is concentrated at the highest level in a centralized framework. Concentration, according to Nelson, Quick, Sniderman, and Bulmash (2010), is the degree to which decisions are decided at the highest levels of the organization. Certain choices are made in a concentrated decision-making area. This covers the following: facility and resource allocation, recruiting and selection procedures for promotions, compensation systems, information flows, and planning processes. Only those at the top of the hierarchy have the authority and responsibility to make the aforementioned judgments under a centralized system.

Decentralization

Delegating authority to lower levels of an organization is known as decentralization. It speeds up decision-making and improves decision-making in response to local conditions. Lower level managers participate in decision-making in a decentralized system. Decentralization of authority, according to Pugh (1968), is the methodical attempt to distribute decision-making authority to the lowest echelons of the organization. Only extensive authority will be retained at the highest level in decentralization. These include the ability to organize, plan, lead, and exert control. The complete opposite of centralization is decentralization.

Additionally, Onyeche (2016) backed up the idea that top-level management has the majority of the authority in centralization. The processes of centralization and decentralization are interdependent. The processes of centralization and decentralization coexist and support one another in a large organization. When an organization becomes large and complicated, decentralization is a natural progression (Fred, 2012). Lower levels of the organizational hierarchy receive a large portion of the decision-making power from the top executives in a decentralized firm. As a result, the organization is probably going to function with fewer strict regulations and more authority for each officer (Shahriai et al., 2013). Better job performance is a direct result of a decentralized organizational structure, which is best for improving subordinates' morale, performance, empowerment, and motivation.

Size of the Organization

The span of control is the size of the organization. According to Fred (2012), an organization's size dictates its degree of centralization and decentralization. The organizational structure and the scale of the administrative hierarchy are related. Does an organization's complexity and the need for empowerment and coordination grow with its size? Since an organization is a social system, its size is usually determined by the number of employees. This is known as organizational size. Although they do not show the amount of the human component of the social system, other metrics like total such or total assess also convey magnitude (Daft, 2001). According to Alexander, Nick, and Timothy (2007), the number of workers and other comparable proxies, such as revenue size, physical capacity, input and output quantities, and financial resources, may be used to gauge the size of a firm.

Theoretical Framework

Modern Structural Organization Theory

This study is anchored on the foundation of this theory. A school of thought within organizational theory called modern structural organization theory places a strong emphasis on how organizations are set up to accomplish their objectives. By emphasizing efficiency, rationality, and determining an organization's "best" structure based on its goals, surroundings, and technological capabilities, it expands on traditional theories. Specialization, vertical and horizontal divergence, and the notion that organizational issues may be resolved through restructuring are important ideas. Max Weber, Henri Fayol, and later contributors like James March and Herbert Simon are the main figures linked to modern structural organization theory. Fayol's management ideas, Weber's idea of bureaucracy, and March and Simon's later research on organizational decision-making all influenced the creation of contemporary structural organization theory.

The early 1900s saw the development of this theory. Vertical differentiation, hierarchical levels of organizational authority and coordination, and horizontal differentiation between organizational units are all topics covered by structural organizational theory.

The four fundamental tenets of structural theory are as follows:

a) Formal norms and hierarchy promote rational organizational behavior.
b) The optimum structure exists, but it depends on a variety of conditions.
c) Productivity is increased by division of labor
d) The majority of issues are structural in nature, organizations are viewed as rational

institutions with a shared purpose of achieving specified objectives, and formal authority an d well defined norms are the best ways to accomplish rational organizational behavior.Acco rding to this view, structural transformation is the solution to organizational issues, which ar ise from flaws and imperfections.

Empirical Review

Organizational structure and employee performance has been the subject of several studies conducted worldwide, including in Nigeria, with varying and contentious findings. A research by Shahriai, Maleki, Koolivand, and Meyvand (2013) that used Pearson's test found a su bstantial and inverse link between organizational structure aspects and the psychological empower ment of Ministry of Economic Affairs and Finance staff members.

They also showed that people's psychological empowerment is negatively impacted by centralizatio n.There will be more decentralization, which can boost employee psychological empwermentthe m ore a company has information sharing channels to decisionmaking points and a suitable feedback s ystem to assess the decisions' results.It indicates that the decentralization aspect of organizational st ructure and employee empowerment are significantly correlated.

Nwosu (2020) ascertained whether Nigerian brewing companies have a suitable structure and the degree to which it has influenced the performance of their personnel. For data analysis and hypothesis testing, descriptive statistics such as correlation and t-statistics were used. The study's findings showed that the structure of hierarchical layers significantly improves employee performance in brewing companies; internal and external boundaries significantly improve employee performance in brewing companies; and formalization significantly improves employee performance.

Hailin, Haimeng and Qiang (2018) investigated the potential effects of corporate culture promotion on Chinese firms' market value, financial performance, and innovation output. They consistently discover evidence that the promotion of corporate culture has a negative relationship with the market value of the company, a positive relationship with the output of innovation, and no significant relationship with the financial success of the company. In North Central Nigeria, Adeoye (2018) evaluated how organizational structure affected worker engagement. Using a survey design, the study used primary data that was primarily gathered by distributing a series of questionnaires to 196 management, supervisor, and non-management employees of the chosen Plateau State manufacturing companies. The results showed that: standardization of control has a favorable impact on employees' efficiency; decentralization of control has a substantial positive link with employee productivity.

Malik (2017) ascertained if Nigerian brewing companies have a suitable structure and the degree to which it has influenced the performance of their employees. For data analysis and hypothesis testing, descriptive statistics such as correlation and t-statistics were used. The study's findings showed that the structure of hierarchical layers significantly improves employee performance in brewing companies; technology significantly improves employee performance in brewing companies; internal and external boundaries significantly improve employee performance in brewing companies; and formalization significantly improves employee performance.

At a private hospital in Ahvaz, et al., (2017) assessed how organizational structure (structural features) affected workers' job performance. The Stefan Robbins questionnaire, which has 24 questions to gauge organizational structure, and the Patterson questionnaire, which has 15 questions to gauge job performance, are the research tools. The findings show that workers' job performance at a private hospital in Ahvaz is significantly impacted negatively by organizational structure (structural factors). The influence of structure on organizational performance was established by Ann et al., (2015). The complexity and automation of today's organizations necessitate maintaining and enhancing performance through restructuring and reorganization in response to shifting strategic goals. The survey approach was used to perform the investigation. The study's geographic scope included Etisalat's Enugu Regional Office and Innoson Nigeria Ltd. The results showed that job routine had a good and negative impact on worker productivity, and that decentralization improved better and more informed decision making in Nigerian technical and service organizations. According to reports, Mansor (2012) claims that changes in the environment moderate the performance effect of organizational structure. As a result, they conclude that in order for an organization to achieve the desired superior performance, sufficient attention must be paid to having organizational structure that can match the prevailing environment dynamism in place.

Qingmin, Helmut, and Juergen (2012) evaluated how organizational structure affected the performance of Chinese and Austrian organizations and discovered that it had a direct and indirect impact on performance. According to Akinyere (2011), there is a beneficial impact from the organizational structure and strategy used by oil and gas businesses. According to the report, market share is positively impacted by the organizational structure and tactics used by oil and gas marketing firms. According to a study by Ekpu (2004), large firm performance and unstructured organizational patterns are positively correlated. Nonetheless, some studies have discovered detrimental effects on the performance and organizational structure.

From the review of literature, the author observed that there are differing opinions and results among researchers regarding the literature and empirical studies on organizational structure and employee performance mentioned above. While many researchers believe that there is a significant positive connection between organizational structure and employee performance, some hold a different opinion. The empirical literature's lack of agreement, however, necessitates more research on this kind of topic.

Materials and Method

This study used secondary sources of data and employed a systematic review of over 80 research articles from several international and reputable journals of related topics in order to determine the nature of connections and comprehend the motivations, viewpoints, theories, empiricism, and opinions of scholars and findings. Guillaume (2019, 1) asserts that systematic literature reviews are an open and repeatable method of integrating scientific data to address a specific research question. They also seek to evaluate the quality of the data and include any pertinent information. Mengist et *al*., (2020, 2) stress the value of comprehensive literature assessments in identifying existing knowledge and knowledge gaps on particular issues. This study developed a systematic review of the literature to look at the major scholarly contributions to the related themes of Effect of Organizational Structure on Employee Performance as well as related concepts. In order to learn about academic perspectives and research findings on the impact of organizational structure on employee performance, we looked at more than 80 empirical and qualitative research papers published in reputable international journals. The research technique used in the literature study was based on the notion that "thematic analysis is the process of identifying patterns or themes within qualitative data," as stated by Braun and Clarke (2015). The first stage in reviewing the data for was becoming familiar with it, which involved reading the summaries of each publication and attentively examining the content, as well

Results and Discussion

Over 80 research papers that were published in reputable journals and subjected to this systematic review research method showed that formalization affects the performance of employees of quoted Nigerian commercial banks, and that performance is influenced by that layer in the organizational hierarchy. These findings are in line with those of Nwosu's (2020) study, which discovered that formalization, technology, and the structure of hierarchical layers all significantly enhance employee performance in brewing companies. Hailin Haimeng and Qiang (2018) found consistent evidence that corporate culture promotion has a negative relationship with firm market value, a positive relationship with innovation output, and no significant relationship with the financial performance of the firm.

This study discovered that Decentralization of control has a direct and positive connection with employee performance and organizational growth and is also essential for employee productivity and organizational performance according to Adeoye (2018). It also speeds up the delivery of employee services to clients and the company. According to Malik (2017), the study comes to the conclusion that brewing companies' employees' performance is centered on adopting an acceptable structure. Employee performance at a private hospital in Ahvaz is significantly impacted negatively by organizational structure (structural factors), according to Hadis et al., (2017) findings. All hypotheses are validated, demonstrating noteworthy connections between organizational structure aspects and employee performance. This lends credence to the idea that companies with fewer levels of hierarchy, a blurring of internal and external borders, less formalization, and the use of technology that is suited for their organization will have better employee performance. The findings suggest that there are a number of organizational structure components that can improve worker performance. As a result, every firm looking to improve employee performance should take structural dimensions into account. Research has indicated that companies who do not have a structure that is suitable for their staff will undoubtedly experience issues with employee performance. Given this, the study comes to the conclusion that employee performance is significantly improved by organizational structure.

Knowledge and self-motivation enable people to become empowered; empowerment is not the same as granting people power; rather, it is the release of power. Empowerment offers the opportunity to fully utilize human potential that isn't fully utilized. Employee empowerment is seen to be the primary motivator since it gives workers a sense of competence, which enables them to choose the finest inventions and ideas. Empowerment becomes crucial on both an individual and organizational level as more businesses want workers who take the initiative and find innovative solutions to work-related problems. A deeper comprehension of the organizational elements that favor empowerment would be helpful, although empowerment initiatives have not always been shown to be successful (Siegall & Gardner, 2000). The study found that decentralization has a beneficial impact on psychological empowerment whereas centralization has a negative one. This indicates that employee empowerment and the decentralization aspect of organizational structure are significantly correlated.

Conclusion and Recommendations

Conclusion

This study discovered that Decentralization of control has a direct and positive connection with employee performance and organizational growth and is also essential for employee productivity and organizational performance according to Adeoye (2018) and several other scholars. It also speeds up the delivery of employee services to clients and the company. It engenders self-motivation and innovation and creativity. The study found that decentralization has a beneficial impact on psychological empowerment whereas centralization has a negative one. This indicates that employee empowerment and the decentralization aspect of organizational structure are significantly correlated. This study concludes Performance of the employee and the general performance of the organization strongly depend on the nature of the organizational structure adopted and that there are a number of organizational structure components that can improve or reduce worker performance. As a result, every firm looking to improve employee performance is advised to take structural dimensions of the organization into cognizance. Research has indicated that companies who do not have a structure that is suitable for their staff will undoubtedly experience issues with employee performance.

Recommendations

Based on the aforementioned findings, this study recommends an employee-centric organizational structure for improved employee and organizational performances. Also the study suggests that there are a number of organizational structure components that can improve worker performance. As a result, every firm looking to improve employee performance is advised to take structural dimensions of the organization into account. Research has indicated that companies who do not have a structure that is suitable for their staff will undoubtedly experience issues with employee performance.

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EFFECTS OF RENEWABLE ENERGY TRANSITION ON ENERGY SAVINGS BY COMMERCIAL BUSINESSES IN KADUNA STATE

[1]Jameelah U. Zahradeen, [2]Professor Salisu Umar & [3]Prof. Nasiru Abdullahi

[1]zahradeen2014@gmail.com, [2]salumar2002@yahoo.com, [2]sumar@abu.edu.com, [3]elnasir@gmail.com
[1]+234 803 330 4890, [2]+234 806 582 5865 & [3]+234 803 968 4647

Abstract

It is becoming increasingly evident that energy transition towards the increased use of renewable energy is becoming a stronghold in many households and commercial businesses in Kaduna state and Nigeria in general. The study relates to the high initial cost of solar installation compared to savings on energy costs given the current economic realities with the aim of understanding if solar installation really results in savings from transition. A total of three (3) commercial businesses with a total of thirty (30) occupants were studied, selected by random sampling. Qualitative method and case study approach was used to focus on understanding the economic context using the implementation stage of innovation theory. Thematic analysis was used to identify key themes and patterns. The data collected revealed the drivers and barriers to energy transition by commercial businesses. This study was in line with Alagoz (2023) who studied The Energy Transition towards Renewables in the Oil & Gas Industry and Odilova (2023) who studied the positive impact of renewable energy on financial returns while aligning with growth and sustainability. Purposive sampling method was used to select the commercial businesses and random sampling method was applied in the study area. Analyses carried out reveal that an average 80% of the commercial businesses prefer to completely transition to or combine solar as a renewable source as an alternative to public electricity and other sources like generators which are mostly used for high energy equipment like air conditioners. Findings reveal that economic survival and well-being of these commercial businesses increases with reduction of expenses on energy through deployment of sustainable renewable energy particularly the use of solar due to abundant sunlight in Kaduna. The use of solar reduces costs incurred on energy and results in energy savings when using smaller equipment, thus resulting in savings from energy transition. It is recommended that scientific analyses be carried out that will enable quantitative research on energy savings from transition and will unveil investment opportunities.

Keywords: Commercial businesses, Energy savings, Energy transition, Renewable Energy, Solar

Introduction

Energy has long been recognized as an essential component in meeting basic human needs, enhancing quality of life and stimulating economic development (Musa, 2011). Electrical energy is the power an atom's charged particles have to cause and an action to move an object. The movement of electrons from one atom to another is what results in electrical energy (Jucker, 2008). According to Enger and Smith (2004) organisms and society cease, stop functioning and begin to disintegrate if the flow of energy ceases, thus the need to expand energy for more energy efficiency and sustainability. Energy sources are grouped into two (2) main categories: renewable and non-renewable sources. The non-renewable sources are fossil fuels like petroleum, oil, gas and coal. These are finite resources that can be exhausted. Renewable energy sources on the other hand are naturally replenished, are abundant in supply and are continuously present. For instance sunlight is converted by plants and solar photovoltaic panels are used to convert sunlight to chemical and electric energy respectively (Pickering, 1995).

Commercial businesses in Kaduna State are transitioning to use of solar renewable energy for commercial purposes and economic development. This transition is assessed to have resulted in increased and sustainable employment opportunities (Alagoz, 2023). This results from non-closure of the commercial businesses due to power outages from public sources. The businesses include but not limited to sales shops, barber and beauty salons, cold rooms, small restaurants, computer repair shops, laundry services, small workshops, agricultural businesses (with water pumps), and even small offices. Others are solar installation & maintenance and deploying use of solar for event management, essentially any commercial business with moderate power needs for consistent energy supply.

The amount or quantity of energy consumed by commercial businesses is influenced by income/purchasing power, season, cultural background, population, technology, level of development, needs and government policies. These make energy demand and consumption vary from one commercial business to another Hassan (2008). Enger (2004) reported that the amount of energy required for commercial use varies from that of households. They went further to explain that in some developing nations, 90 percent of the energy is used in residential sector unlike industrialized nations where industries use most of the energy. In Nigeria, findings by Olajide and Odugbenro (1999) have shown that most of the energy consumption is used for residential purposes by households for lighting, cooking, heating. Olajide and Odugbenro (1999) also identified household sector as the largest consumer in the Nigerian economy using about 90 percent of the regular fuels.

A household, as it relates to energy consumption refers to those that live together (Silviconsult, 1991). They defined household energy consumption as energy spent or expended on various appliances used within the household. Regarding seasons, the study identified that 85 percent of households use more energy for cooling in the hot weather and more energy for heating in the cold season in Kaduna state. Commercial businesses are the second largest users of energy which is channelled towards increasing economic development, thus anticipating increased profit and re-investment for business growth from savings on energy, which by implication is the positive impact of renewable energy on financial returns aligned with growth and sustainability. The study by Alagoz (2023). on The energy transition: Navigating the shift towards renewables in the oil and gas industry did not narrow down on energy transition and savings by commercial businesses in Kaduna State, and Odilova (2023) highlighted limitations to available literature and the need for further research.

Thus this study aimed to assess the increasing economic well-being of commercial businesses which increases with reduction of expenses on energy through deployment of sustainable renewable energy particularly the use of solar due to abundant sunlight in Kaduna. The findings of this study will contribute to existing literature on renewable energy transition and will provide insights to policy makers for sustainable economic development.

Statement of the Problem

This study was in line with Alagoz (2023) who studied The Energy Transition towards Renewables in the Oil and Gas Industry and Odilova (2023) who studied the positive impact of renewable energy on financial returns while aligning with growth and sustainability. Odilova (2023) highlighted limitations to available literature and the need for further research. The study conducts findings on the relationship between renewable energy transition and commercial energy savings, on the use of solar and the resultant reduction in costs incurred on energy and savings (drivers and barriers) while highlighting the high initial costs of solar installation, thus highlighting the impact, potentials, prospects and resultant savings from the energy transition by commercial businesses.

Research Questions

The research seeks to address the following research questions: -

1. Is there a relationship between renewable energy transition and commercial energy savings in Kaduna state?
2. Are there drivers and barriers of transition to renewable energy by commercial businesses in Kaduna state?
3. What are the impacts, potential and prospects of transition to renewable energy by commercial businesses in Kaduna state?

Research Objectives

The objective of this research is:

1. To identify the relationship between renewable energy transition and commercial energy savings in Kaduna state.
2. To investigate the drivers and barriers of transition to renewable energy by commercial businesses in Kaduna state.
3. To assess the impact, potential and prospects of transition to renewable energy by commercial businesses in Kaduna state.

Literature Review

Overview of Renewable Energy

Renewable energy is energy derived from natural sources that are replenished at a higher rate than they are consumed. Ellabban 2014. Sunlight and wind, for example, are such renewable sources that are constantly and naturally replenished. Renewable energy sources are plentiful, in abundant supply and all around us. Renewable resources are those resources that are replenished or renewed naturally over time. Air, water, wind, solar energy etc are all renewable resources. They are easily renewed by nature with low environmental impact that it can be used for long term. Most of the energy consumed in Kaduna state are by residents or households and secondly by commercial businesses for economic development as Nigeria is a developing country with less industries to consume or use majority of the energy. The commercial energy users are the second category of energy users. The commercial business energy users fall back on a variety of energy sources for the sustainable energy used in these businesses. These include from general or public sources, use of generators for large equipment and falling back on natural renewable sources including and particularly solar for smaller equipment due to abundant sunlight.

Revenue or income generating power, season, technology, level of development, needs and government policies lead to fluctuating energy demand and use/consumption/patterns by commercial businesses. This in turn results in altering demand for energy sources for energy sustainability, thus the deployment of alternative renewable sources of energy like solar. Solar is energy derived from sun rays for use by households, commercial or industrial use. Solar energy is the conversion of solar radiation to heat or electricity (Reddy, 2020). It is the most common renewable source of energy used in Kaduna state.

Energy Deregulation and Population Dynamics

It is common knowledge that widespread scarcity of petroleum products are passed by government as blames to pipeline vandals, militant attacks or sabotage. Each persistent scarcity is accompanied by increase in pump prices of these petroleum products. This always has multiplier effects on and results in general increase in the prices of other goods and services, including energy used by commercial businesses which increase in form of electricity/energy tariffs and rising cost of fuel. The deregulation of the energy/electricity industry in Nigeria has not allowed tariffs to reduce, rather energy tariffs always increase. Organised labour and civil society say deregulation is unaccepted (Eme, 2007).

Deregulation means allowing market forces to determine prices. In the economic sense it means freedom from government control. Akinwumi (2005) says it is the removal of government interference in the running of a system. This means government rules and regulations guiding operations of a system are relaxed or held constant in order for the system to decide its optimum level through demand and supply forces (Udo, 2009). Obueh (2006) reported that the deregulation policy of Nigerian government has affected the availability, use and consumption pattern of energy. This has affected various commercial businesses in multiple ways in Kaduna state, rather than affect the economic livelihoods of the populace positively. Deregulation has been more related to increases in costs of fuel and energy tariffs resulting in economic hardship.

Energy users affected by deregulation have always remained unconvinced with price and tariff hikes and have ended up resorting to the use of renewable resources like solar for savings from energy expenses and relief from economic hardships. This is because deploying solar reduces costs and expenses while increasing energy supply, thus energy sustainability. Population increase and higher life expectancy results in increased energy demand (UNDP, 2000). Deploying the use of renewable energy sources adds to the energy sustainability.

The implementation stage of the innovation model is used in this study as the empirical framework to guide and assess the innovation and energy transition to solar while analysing the high initial cost of solar installation compared to savings on energy costs with the aim of understanding how solar installation results in savings from the transition. The study is in line with Alagoz (2023) who studied The Energy Transition towards Renewables in the Oil & Gas Industry and Odilova (2023) who studied the positive impact of renewable energy on financial returns while aligning with growth and sustainability.

Energy Transition

Energy transition refers to the global shift from fossil fuel-based energy systems to low-carbon and renewable energy sources. It involves a fundamental transformation in the way we produce, distribute, and consume energy (National Council on Climate Change). Energy transition refers to the movement from fossil-based energy systems like coal, oil, and natural gas to renewable-based systems like solar, wind, biofuel, and hydrogen. (Harichandan, 2022). It is being driven by a range of political, economic, and environmental factors. Households and commercial businesses around the world are adopting the use of renewable sources aimed at reducing greenhouse gas emissions, promoting the use of renewables, mitigating the impact of climate change and reducing energy expenses/costs. These actions are contributing to the growth of the renewable energy sector, making it increasingly competitive with traditional fossil fuel industry. The average costs of renewable energy technologies and growing consumer demand for cleaner, more sustainable energy sources are further driving the shift towards renewables (Alagoz, 2023). The positive dynamics of the renewable energy market is leading to changes in the energy market and sources for households and commercial businesses in most parts of the world. Transition to the use of alternative energy is an integral part of the energy and environmental sustainability also aimed at reducing emissions into the atmosphere and other environmental pollution (Udalov, 2021). The development of alternative energy includes an effective method of expanding the use of alternative energy sources to supply households and commercial businesses with energy/electricity (Sommerfeld, 2017).

Energy Savings

The diversified use of energy from various sources to bridge and address declining energy supply from public sources provides opportunities for households and commercial businesses to save from the increasing energy tariffs and cost of fuel in Nigeria. Renewables (such as solar) have gained significant popularity and competitiveness in recent years. The growth of renewables is driven by factors such as average energy costs/expenses against savings, government policies and advocacy in promoting the usage of solar, and growing public awareness about the environmental impact of fossil fuels among others. Technological advancements and innovations in the renewable energy sector have made the use of solar increasingly accessible and cost-effective. The economic viability of renewable energy is also well-established. The investment landscape in the renewable energy sector is constantly evolving (Alagoz, 2023). Households and commercial businesses must adapt to the changing energy landscape and transition to sustain energy supply (Alagoz, 2023)**. S**sustainable energy transition to renewables enables households and commercial businesses to use renewable resources and achieve greater reduction in energy costs/expenses and attain energy independence (Harichandan, 2022).

Increasing demand for energy, coupled with a restricted supply on the world markets, results in prices of energy being continuously increased from public sources. This general development as well as the dynamics in price setting generates uncertainties for households and commercial businesses with respect to accurately calculated energy costs and savings. The situation becomes even more complex since proper improvements in energy efficiency and sustainability is mostly achieved by an approach that considers multiple energy sources (Harichandan, 2022).

Theoretical Framework

The review of related literature on the research study is anchored on Alagoz (2023) who studied the energy transition towards renewable energy in the oil and gas industry and Odilova (2023) studied the positive impact of renewable energy on financial returns while aligning with growth and sustainability. This study is vested in energy transition by commercial businesses and delves in the savings resulting from the energy transitions and the resultant effects. The implementation stage of innovation theory was used to relate the high initial cost of solar installation compared to savings on energy costs from other sources given the current economic realities with the aim of understanding if solar installation really results in savings on energy expenses.

Materials and Method

The study relates to the high initial cost of solar installation compared to savings on energy costs given the current economic realities with the aim of understanding if solar installation really results in savings. Qualitative method and case study approach was used to focus on understanding the economic context using the implementation stage of innovation theory. Purposive sampling was used for this study to select commercial businesses for interview which was designed to address issues that eventually led to energy transition and the resultant savings thereafter.

Study Area

Kaduna State is the "Center of Learning" and is located in Northern Nigeria, comprises of 23 Local Government Areas (LGAs) with an estimated population according to the National Population Commission (NPC, 2022) of 9,032,200 Population. Rapid population increase as of 2023 puts the estimated population at 1.1 million. The state is endowed with natural resources including land, sunlight, wind, water/river and mineral resources among others. These abundant natural resources avail massive untapped and unused natural resources that are and can be used as renewable resources to generate energy for various uses.

A reconnaissance survey was conducted of the twenty three (23) Local Government Areas (LGAs) in Kaduna state. For ease of data collection and analysis it was deemed fit to stratify the study area. The study area was stratified into zones based on the existing senatorial geo-political zones: North, Central, and South. Kaduna North was selected with thirteen (13) wards. Population of the study encompasses three (3) commercial businesses in random areas and wards and users of solar energy as an alternative renewable means/source of generating energy were studied. Six (6) respondents were interviewed (3 from Tudun Wada, 2 from Kawo and 1 from Malali). This is to understand the impact and effects of energy transition (to solar energy) on savings.

Qualitative data was obtained from the commercial businesses via interviews and information gathered was analysed to extract information as it relates to the study. Both primary and secondary data were sourced from journals, textbooks and the internet. Data was obtained through interview to obtain responses which provided information from the commercial businesses. The information included the types and sources of energy, quantity of energy generated from solar (and other sources), problems encountered that led to energy transition and savings from energy transition considering the high initial costs of installing solar. Empirical review were analysed as a means to dissect the data obtained from interview to ascertain savings on energy expenses by commercial businesses as a result of energy transition to use of renewable sources (solar). Qualitative method and case study approach was used for the study.

Results and Discussion

Findings from the study on energy savings by commercial businesses from transition to use of solar energy gave rise to the following highlights and findings: -

Table 1: Below reveals initial solar costs

	SHOP LOCATION - AREA IN KADUNA	POPULATION OF COMMERCIAL BUSINESS	ENERGY GENERATED FROM SOLAR	INITIAL COSTS OF SOLAR INSTALLATION	AWARENESS OF OTHER RENEWABLE ENERGY SOURCES
1	Tudun Wada	8	3Kva	2.2M	Aware of Wind Energy
2	Kawo	6	1.5Kva	1.5M	Aware of Wind Energy and Solar combined
3	Malali	3	1.5Kva	1.350M	Aware of the new solar thermal Energy Sources

Source: Field work 2024

Respondents 1 of 8 at T/Wada, 2 of 8 and 7 of 8 were interviewed.
Respondents 3 of 6 at Kawo and and 6 of 6 were interviewed.
Respondents 1 of 3 at Malali was interviewed.
Respondents 1 of 8 at T/Wada, 3 of 6 at Kawo and 1 of 3 at Malali gave responses that revealed commercial businesses are relatively homogeneous, they have varying socio-economic distribution in terms of number of workers, workers' age, gender, educational background, income/profit and equipment sold & used. Respondents were all male. The gender variation is in line with security, religious and traditional ethics in the study area where males function as commercial business leaders (except in few situations where women assume such functions including divorcees and widows).

Only two of the respondents - 1 of 8 at T/Wada, 3 of 6 at Kawo have commercial businesses that use energy supply from public and other sources including generators to power heavy equipment like air conditioners. Energy transition to use of solar by the two (2) respondents was due to the need for constant power supply (avert constant power failure, fluctuating energy supply and poor/low current) and to save expenses and costs on energy. Another top priority reason given by respondent 3 of 6 at Kawo is to ensure constant availability of security lights for the commercial businesses.

Savings recovered from the use of renewable source of energy in form of solar is diverted to the general upkeep of the commercial businesses including re-investment, business expansion, paying security guards (where applicable), paying health bills and school fees from increased income and profit, and other important priorities to the workers and success of the commercial businesses. These were findings by all respondents - 7 of 8 at T/Wada, 6 of 6 at Kawo and 1 of 3 at Malali.

The amount saved on energy bill from use of renewable energy (solar) depends on the size and energy needs of the commercial business, the size of the solar system, the public power source in the area and other alternative sources like generators. The goal of most commercial business solar systems is to reduce energy bills and shy away from the rising cost of generator fuel and diesel as much as possible. Commercial businesses use energy supply from public power source and generators when using large power consuming equipment including air conditioners - respondents - 2 of 8 at T/Wada and 1 of 3 at Malali. The quality of energy supply generated from solar as a renewable source is assured with the use of quality accessories and standard test conditions (STC), and use of solar products and cables from original energy manufacturers (OEMs). This is enhanced with pricing (cost and unit prices) for the quality accessories while ensuring guarantees and lengthy life span for the solar accessories for maximum benefit to increase savings on energy costs - respondents - 1 of 8 at T/Wada, 3 of 6 at Kawo and 1 of 3 at Malali. The respondents - 2 of 8 at T/Wada, 3 of 6 & 6 of 6 at Kawo, and 1 of 3 at Malali revealed that all the three (3) commercial businesses studied save most with the use of the solar energy component, be it out-rightly purchased or purchased through the solar loan payment (which is in instalments). Respondent 3 of 6 at Kawo make monthly payments after which the solar system is fully acquired as an asset.

Findings on Energy Transition to Renewable Energy (Solar) and Energy Savings by Commercial Businesses

The findings from respondents 1 of 8 at Tudun Wada confirmed that energy from public source is not stored while solar energy can be stored for later use. This is a form of energy and cost savings from the energy transition that is immediate at the point of solar installation and allows for use of solar energy at the convenience of the user(s). This has confirmed the existence of a positive and significant relationship between renewable energy transition and commercial energy savings in Kaduna state. The use of energy from multiple sources requires wiring separation for ease of switching from one source to the other. The commercial business also renders energy services to neighbouring shops where solar energy is supplied and they pay for usage. These are drivers of energy transition with very high impact, potential and prospects in line with the objectives of the study. This also captures the two (2) perspectives of transition to solar where one can be a user or a seller of solar accessories.

Respondent 6 of 6 at Kawo gave an average KwH and amount per month spent on public sources which was compared to the high cost of transition to solar energy and it was established that the solar system is maintenance free and can be used for fifteen (15) years, thus spending 1.5m spread in fifteen (15) years certainly guarantees savings on costs expended on energy from public sources which experience rising tariffs. A recent innovation in the deployment of solar systems is the solar loan payment to cater for those in need but with less funds to afford. This is a very strong driver for energy transition and has tremendously increased affordability of the solar system for many average homes and commercial businesses as can be seen in Kaduna metropolis. The solar loan payment (which is in instalments) do not increase over time unlike energy tariffs. Solar systems give control over energy source, how it is paid for (outright purchase or in instalments) and how it is used (solar systems can be switched off when not in use). This has high impact and is a tremendous means by which savings on energy costs are increased, thus aligning with the research objectives. It also counters the barrier of high initial installation costs of installing solar and spreads affordability.

Respondent 1 of 3 at, Malali confirmed the cleanliness of solar energy either by total or partial transition. The savings on energy costs is more with hybrid inverters with in-built charge controller rather than inverters with no hybrid (which result in higher costs), as such the combination of accessories increase savings on energy costs. This has affirmed a significantly strong relationship between energy transition and commercial energy savings. An additional energy saving component is the estimation of batteries required to generate the KwH for a particular number of hours. This gives room for projecting and estimating savings on energy considering the number of projected hours and serves as an important driver to energy transition with very high impact, potential and prospects of transition to renewable energy by commercial businesses in Kaduna state.

Summary of findings

The study unveiled the increasing deployment of the use of renewable energy in commercial businesses in Kaduna state and the resultant savings from the transition which aids commercial businesses deploy funds saved to other beneficial activities.

Conclusion and Recommendations

Conclusion

It can be concluded that the economic well-being of these commercial businesses increases with reduction of expenses on energy through deployment of sustainable renewable energy. Amounts saved are deployed to solving other pressing business needs and addressing financial gaps resulting from the ever increasing cost of goods and services from year 2023 to 2024 in Kaduna state and Nigeria. Also further deployment of alternative renewable energy will allow commercial businesses to be re-oriented to a more technological and progressive path of energy access and development. It will also reduce the amount of harmful emissions into the environment due to the gradual reduction in the consumption of certain types of fossils. Savings on energy costs require strategic thinking and needs assessment.

Recommendations

The Energy Transition data explored in the study reveals that only a few commercial businesses have conducted a thorough examination of energy efficiency and expenses/costs saved from energy transition as multiple shops were contacted but only few could analyse savings on energy costs. The daily, weekly, monthly, quarterly and annual amounts saved have to be exposed to very thorough scientific analysis. Further research is recommended by this study to align the figures/expenses saved to depict the savings (in quantity of energy and amount). Kaduna state should provide an online platform that will enable residents provide information and statistical data to ascertain percentage use of every energy component used in the State. Currently Kaduna state is availing solar panels for the State workforce through the “Solar for all” initiative. It is the recommendation of this study that the initiative should be widely broadcast and expanded to accommodate residents working with the Federal Government and other stakeholders. This will increase the energy transition of Kaduna residents to the use of renewable energy through solar. These have ascertained the relationship between renewable energy transition and commercial energy savings.

Kaduna state must examine the future direction of energy markets, investments opportunities and energy technologies, as well as their household inhabitants' evolving energy requirements, including through renewable sources (to cater for smaller equipment) (Harichandan, 2022). This is to ensure they are adequately catered for and innovative sources like residential windmills and solar thermal sources for commercial businesses are introduced for energy sustainability being drivers and barriers to energy transition.

The study recommends that innovative projects can be created by such methods of interaction with social groups as collecting and processing feedback, consulting specialists with data, the population, and more - Slaughter (2000). The investors in innovative solar loan payment should be empowered by Kaduna state and other lending institutions for sustainability and professionalization of entrepreneurs and their investments in renewable energy. Provision of credit at concessionary interest rates with long moratorium, and hire services for large equipment, will assist among others. When these are provided, they will bring about the much-needed panacea to the challenges that constrain the efforts of entrepreneurs towards providing energy solutions to commercial businesses.

These have high impact and reveal the potentials and prospects of transition to renewable energy. Further research on renewable energy, the transition and statistical components are highly recommended by this study.

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HOUSING AFFORDABILITY AND POVERTY REDUCTION AMONG THE BENEFICIAIRIES OF SKILLS ACQUISITION TRAINING PROGRAMMES IN NIGERIA

[1]Abdulkarim Babagana Ph.D & [2]Lawan Abba Babamaragana Ph.D

[1, 2]Department of Public Administration, Faculty of Social and Management Sciences, Yobe State University, Damaturu, Nigeria
[1]fannameeak@gmail.com, [1]fannami@ysu.edu.ng
[2]babamaragana@gmail.com [2]babamaragana@ysu.edu.ng
[1]+2347034287991, [1]+2348090807071 & [2]+2348022604211

Corresponding Author: Abdulkarim Babagana fannameeak@gmail.com, fannami@ysu.edu.ng
+2347034287991, +2349163876727

Abstract

The twin challenges of poverty and homelessness is a wicked problem in Nigeria. Thus, some government programmes target solving the two via a single intervention. Borno State Government has implemented a programme of capacity building with sub-goal of housing improvement. This study examined Borno State's Skills Acquisition Programme and its impact on the housing affordability of the beneficiaries in Nigeria. A mixed approach was utilised to collect data from the beneficiaries of the programme. Panel data and Key Informant Interviews (KIIs) with 8 participants formed the data which was analysed using narrative technique –for the qualitative data, and regression analysis –for the quantitative data. The result indicates that skills acquired had impacted on the incomes of the beneficiaries. The result further revealed that skills acquisition had positively impacted on the beneficiaries housing affordability. While, welding is shown to be the skill that recorded the most positive statistical result on housing acquisition by the beneficiaries. From the results found, the study concludes that Borno State's Skills Acquisition Programme has enabled its beneficiaries to earn income, ameliorate poverty and acquire housing. This study recommends sustaining the programme and expanding it to target broader beneficiaries.

Keywords: Affordability, Capacity Building, Housing, Poverty Reduction, Skills Acquisition,

Introduction

Housing has long been recognised as a crucial necessity for any decent living condition. Maslow's axiomatic hierarchy of needs establishes housing among the physiological needs that every human being strives to acquire with the view to attaining decent survival. However, reports by UN-Habitat (2013), indicate that more than 863 million people across the world are homeless and thus taking refuge in indecent shanty and squalor locations which are characterised as unhealthy, unsafe, unattractive and unsanitary. Majority of this nearly one billion homeless persons (61.7%) are domiciled in Africa. Paradoxically, Nigeria –the continent's leading economy leads the continent's unenviable figure, (UN- Habitat, 2013). Housing situation in Nigeria is a serious theme of discourse. The country embodies the paradox of high demand and acute scarcity. Homelessness among the country's non-skilled labour force and low-income earners including civil servants is a constant source of tension. An estimated 79 million Nigerians, 47.9% of the population, lack housing and means of affording any temporary ownership, such as rent (Ankeli et al., 2020).

Poverty statistics are intricately linked with the statistics of housing deficit in Nigeria. Indeed, housing affordability is mostly associated with poverty level owing to the inability of poor people to afford the high cost of rental, purchasing of building materials, acquisition of land, and outright purchase of the house itself (Festus, Lim & Mazlan, 2021). Thus, debate around meeting the housing needs for the poor has taken the forms of direct and indirect provision. The former takes the form of agitation for government to assume house provision. The latter clamours for empowerment of the poor through valuable skills and training so that they attain self-sufficiency and thus cater for their housing needs (Aluko, 2018).

Over the years, successive Nigeria's governments have adopted and discarded various programmes aimed at solving the housing puzzle. In the early 1980s, the Shagari administration's policy of Housing-For-All (HFA) set the pace for trials and churns in housing programmes. Since then, the introduction of National Housing Policy, the Owner-Occupier Housing Scheme, several land reforms, the Federal Mortgage institutions, the Revised National Housing Policy 2012, Public-Private Partnership, Family Homes Programmes, and the recently renewed homes housing Scheme have been tried without viable impact. However, solution to housing gap is not an elusive remedy exclusive to the Federal government. Instead, solutions have defied the country's sub-national structures alike. State governments have customarily established the Ministry for Housing to address housing challenges. At Local Government Level, department of housing headed by a director is a common place across the country. Yet, the housing inadequacy is on the rise.

Consequent to the failure of the successive housing programmes to mitigate the housing gap in the country, there is a call for shift in housing policy. Leading scholars such as Bello (2023), Aduwo (2015), Hamman (2015), Gilbert (2014), and Makinde (2014), have all advocated for a policy realignment towards indirect housing where capacity of the poor is built so that they use their own agency in housing themselves and their families. Skills acquisition programme are specific programmes designed to train individuals in specific skills within designated centers. Specialised programmes such as computer training, tailoring, welding etc. are usually the areas in which participants' skill sets are enhanced. The acquisition of the skill is not an end in itself. Rather, it is implemented with the expectation that beneficiaries would have their minds broadened and their capacity built. Thus, creating means through which they would become self-sufficient to satisfy their needs, including housing (Aluko, 2012).

In skills acquisition programmes, participants learn new competencies which could be converted to valuable skills. This practice holds the promise of aggregating into national development. Increasingly, nations that subscribe to skills acquisition as a strategy of development have found it effective in boosting per capita income. Indeed, providing beneficiaries with the opportunity for self-development is a shrewd approach to the development of the country's economic prospects (Speelman, 2005).

Objectives of the Study

Specifically, this study;

1. sought to establish whether or not skills acquired by the beneficiaries have impacted on their income.
2. similarly, the study interrogates which of the specific skills acquired has led to income increase across the beneficiaries.
3. and, finally, the study sought to evaluate the impact of the increase in income as a result of the skills acquired on beneficiaries housing affordability.

Literature Review

Skill Acquisition and Access to Housing

Housing is a concept that has a wide and narrow conception. In its wider meaning, Olofinji (2015), conceives housing as an adequate shelter consisting of several other things besides obtaining security of life and property and complete rest of mind. It includes the provision of several other necessities that makes life worthwhile. Thus, it is not limited to infrastructures, hygiene, potable water, better sanitary condition, proper refuse disposal and management, serene and healthy environment that is attractive, accessible, and affordable. The affordability of this type of housing, as stated by Olofinji is a high yardstick: the twin dilemma of poverty and inequality meant that it is beyond the reach of the poor. On a narrower scale, Listokin (2007), argues that housing refers to a house, home, building, or other structure that serves as a place for people to live or sleep. This viewpoint lowers the bar and contrasts with Olafinji's standard.

However, to other observers, the debate could not be about the sematic of housing. Instead, scholarship should focus on substance. Thus, both Douglas (2008), and Jiboye (2009), pointed out that irrespective of one's conception of what a housing is, it is instrumental to note that Nigeria faces inadequacy of housing. Both quality and availability are source of concern. Jiboye (2011), stresses the point that the issue of housing affordability is a serious concern owing to the challenge for poor people to afford it. Since affordability precedes ownership, house is technically beyond the reach of the poor (Olatunde, 2016). This is especially in Nigeria with poverty rate of over 70%, with key members of society i.e. women, youth, poor and minorities all neglected and excluded in the politics and policies of Nigeria (Muna & Babamaragana, 2021).

Nonetheless, Aluko (2008), observes a strong connection between housing and income where a low-income earner finds it difficult or unnecessary to afford a house. He went further to say that the situation in Nigeria is the non-affordability of decent housing by low-income groups and the urban poor because of the decline in earning capacity due to a lack of employment opportunities for individuals. Housing beautifies a nation, attract conducive environment, and contributes to national development (Mehmet, 2009). Nonetheless, housing provision is a responsibility which the state could not continue to ignore. In fact, suggestions stretch from governments being obligated to prioritise housing (Mehmet, 2009), hile individuals could also be allocated state land to access housing by themselves (Oduwaye, 1998). Be that as it may, it is noticeable that the efforts of the government have not been sufficient in meeting the demand for housing for Nigeria's low-income earners (Mabogunje, 2012).

Thus, scholars suggest several alternatives for achieving improved housing conditions in Nigeria. For instance, Omole (2001), suggested that individuals should be funded and provided with income enabling opportunities to earn their house, while, Fasakin (1998) opted for cooperative model towards solving housing needs. Thus, skill acquisition training programmes become imperative.

Theoretical Framework

This study draws on the theory of personal traits as the theoretical lens that guides the study's assumptions. Cherry (2022), advocated that the personal trait theory is relevant and effective in underpinning studies on individuals' attributes. Therefore, this theory is based on individuals' personal characteristics that help to contribute to poverty. It assumed that individuals with positively utilized personal characteristics exhibited in hard work, creativity, innovation, and dedication, would distinguish them and thus enhances their chances of escaping poverty.

The key elements in the assumptions of the theory include personal characteristics (which refers to the individual's possession of enthusiasm that drives towards hard work and acquisition of skills), creativity (the ability of the individual to utilize the personal characteristics earned to create something meaningful that will earn him/her an income), innovation (the individual's ability to use their minds and create something from an already existing idea), and dedication (which refers to the relentlessness of an individual - in this respect to give highest concentration to learn the skill).

According to this theory, the possession of these personal characteristics would make an individual to have skill and the acquisition of the skill would lead to an increase in income and consequently poverty reduction in their status. It can be deduced therefore that increase in income could lead to poverty reduction and ultimately paves the way for housing access and affordability.

Materials and Method

This study is designed based on survey and use of available materials. It utilized both qualitative and quantitative means to collect and analyse data for the study. The qualitative data was sourced mainly from primary (through the administration of interview) and the secondary sources (through the use of panel data) which was obtained from the records of the Ministry for Poverty Alleviation and youth empowerment, Statistical records from National Bureau of Statistics, information from the records of the SATP, previous works and other relevant published materials in the subject area. The administrators of the training programmes form the study population, viz; three principals, nine vice principals, ten headteachers, thirty-three tutors, and fifteen cleaners and labourers in the selected SATP, while there are 154 successful beneficiaries that have graduated and working in various places as indicated by the records of the ministry for the administration of the panel data analysis. Meanwhile, to determine the sample size for the qualitative, the study draws on the well-established Ray's (1994), criterion of utilising a single person or group of persons from 8-12. To Ray, this size is sufficient to form a sample size in a qualitative study aiming to explore a phenomenon of interest. Walker (2007), affirms that qualitative research sample size should be smaller than quantitative. Leaning on Ray (1994), and walker (2007), therefore, this study adopts a sample size of 8 respondents for the qualitative data interview with the participants. They include the principal and headmaster of ATC, the headteacher and one tutor in milk shop SATP, one tutor and one labourer in Ramat square SATP, and the vice principal of technical and one cleaner in MOGCOLIS. Thus, the total of eight respondents from the administrators of the training programmes was used as the sample size for the interview. To collect data from the respondents, a structured interview guide was designed and administered to the administrators. The questions in the interview guide were open-ended. They allowed the respondents to freely express their views, ideas, and opinions on the housing affordability and poverty alleviation of the beneficiaries of skill acquisition training programmes after completing their course. Similarly, to check the reliability and validity of the interview questions, the interview guide was piloted by presenting it to experts who thoroughly checked, screened it and provided valuable feedbacks. Thus, some adjustments were made based on the feedbacks. In the analysis of the data, narrative technique was used in the narrative description of the experiences of the participants. This method was effective as it allowed the administrators identified in the sample size to share their experiences and the researchers used same in the analysis of the major points from the interview.

Secondly, a Panel data was used to find out the lag effect of the intervention of the programme on the beneficiaries. It is a kind of longitudinal data measured on the same units, like people, countries and records at two or more moments in time. It combines time series and cross-sectional data over some time (Ikon, 2019). The panel data of seven training programmes was constituted for this study based on secondary data obtained from the Ministry of Poverty Alleviation and Youth Empowerment in Borno State, Nigeria. The data represents the period 2010-2021 which marks the graduation of the first set of beneficiaries of SATP in different programmes. The data showed the beneficiaries enrolled during the period under review. It also captures the enrolment categorisations for the successful candidates.

Records obtained from the ministry show that there are sample of three successful beneficiaries under computer training, twenty-five in carpentry, fourteen in welding, thirty-five in tailoring, twenty in embroidery, nine in electrical work and forty-five in block making and interlocking as identified in the records of the ministry. The data represents the annual time series of 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021 with seven cross-sections from the different skills acquired under observation. The skills selected include computer training represented as (Comp), carpentry as (Carp), welding as (weld), tailoring as (Tail), embroidery as (Embr), electrical work as (Elect), and block making and interlocking as (Red BR). These stand for the independent variables.

A panel data regression analysis was performed (using EViews software) to ascertain the impact of these skills on increase in income and the affordability of housing (ability to purchase building materials, house ownership and rental housing) to the beneficiaries of SATP. And to find out the lag effect of the increase in income before and after the training. These dependent variables are represented as INC (income), HOU (house ownership), PBM (purchase of house/building materials), and RH (rental housing).

According to Baldwin (1989), unlike the qualitative data analysis, panel data sample size should be relatively large, and the ratio between number of people and number of observed variables should be at least 10:1 15:1 or 20:1. In this study the sample size for the panel data stood at 154 successful beneficiaries. This means that the sample size for panel data should be at least from 100-200 observation cases. The data were analyzed using the generalized panel method of moments GMM with dynamic panel data analysis. Because the data sets are pooled combining both time series and cross-sections could account for unobserved and constant heterogeneity effects in data. In order to take care of the problem of endogeneity, instrumental variables were incorporated (Wooldridge, 2002), and then, the two-step system estimator by Arellano & Bond (1998), with corrected standard errors for potential heteroskedasticity. Here, the approach considers the unobserved effects and transforms them into the first difference using a GMM with instrumental variables to address the endogeneity issue.

Hence, INC$i,\ t$ = $\beta 0 \pm \beta 1$ Comp$i,\ t \pm \beta 2$ Carp$it \pm \beta 3$weld$i,\ t \pm \beta 4$Tail$i,\ t \pm \beta 5$Embro$i,\ t$ + $\beta 6$Elect$i,\ t + \beta_7$ Red BR$_{it} \pm \delta_t \pm \gamma_t \pm \mu i_{,\ t}$ (1)

PBMi, t = β0 ± β1 Compi, t ± β2 Carpit ± β3weldi, t ± β4Taili, t ± β5Embroi, t + β6Electi, t + β7 Red BRit ± δt ± γ_t ± $\mu i_{, t}$ (2)
HOUi, t = β0 ± β1 Compi, t ± β2 Carpit ± β3weldi, t ± β4Taili, t ± β5Embroi, t + β6Electi, t + β7 Red BRit ± δt ± γ_t ± $\mu i_{, t}$ (3)
RH$i, t$ = β0 ± β1 Compi, t ± β2 Carpit ± β3weldi, t ± β4Taili, t ± β5Embroi, t + β6Electi, t + β7 Red BRit ± δt ± γ_t ± $\mu i_{, t}$ (4)
Once the variables in equations 1 through 4 where the i's stand for the skills 1 through 154 have been defined within the years 2010 through 2021. The constant terms and estimated coefficients for each model are the parameters. The error term is broken up into three parts: the time effect (t), which accounts for uncertainties in skill acquisition, and the personal effect (t), which accounts for unobservable heterogeneity. And the stochastic disturbance I (t) (for instance, those programmes not captured in the study).

Results and Discussion

The results obtained from the interview and the panel data regression analysis were discussed in this section. It commences with presenting the results of the demographic profile of the administrators of the training programmes who participated in the study's interviews.

Demographic Display of the Respondents

The age of the respondents in the interview ranged between 32 and 58 years. It showed that the principal is 58 years old, the vice principal 49, one of the Head Teachers 50, and the other 52 and instructors were 47 and 41. Similarly, the cleaner was 35 and the labourer 32. This indicates that the administrators interviewed belonged to mature age bracket capable of running the training programmes. Based on the age display of the respondents in this interview, the information obtained could be regarded as reliable.

Regarding the gender of the administrators, results showed that there are six males and two females. This means that the majority of the administrators of the training programmes were male. The educational qualification of the administrators interviewed ranged between Diploma and B.Ed.: the principal had B.Ed., the Vice principal BSc, the headmaster HND, and the instructors had NCE and diploma, respectively. The labourer and the cleaner of the programme had non-formal education. What this connotes is that the administrators of the training programmes had the requisite educational qualification to administer the training programmes. However, in the case of cleaners and labourers, there was no stringent requirement regarding educational qualification to qualify for their roles. Therefore, based on the educational qualification of the administrators interviewed, the information received is valid.
Data on the years of experience revealed interesting dynamic. The administrators ranged between 6 and 11 years. The principal had 11 years, the vice principal 10, and the two Head Masters had 9 and 10 years of experience, respectively. Others are 08 and 07 years of experience as instructors, respectively. The labourer had 06 years and the cleaner 08. Indeed, the principal's years of experience dates back to the training programmes' establishment. Therefore, the result suggests that the respondents are experienced enough to give reliable and valid feedback on the training programmes' beneficiaries and administration.

Data Analysis

The analysis of data in this study was based on the results obtained from the interview, dynamic panel data regression analysis, and the least square regression analysis with synthesis of the evidence of relevant empirical studies.

Research Question 1. How has the skill acquired impacted on the beneficiaries increase in income and poverty reduction after the completion of their course?

This interview question is related to the achievement of objective one of this study, i.e., to examine the impact of the skills acquired on the beneficiaries’ increase in income and poverty reduction. All the respondents interviewed have freely expressed their minds, and their responses converged on a pattern. One reason for this might be because the outcome of this interview question greatly depends on whether or not there is an increase in the income of the beneficiaries as a result of the skill they have acquired after the completion of their course. Based on the similarity of their views on improvement of the income of the beneficiaries as a result of the skill acquired after the completion of their course, their responses are gathered together and presented below**.**

> *In this interview, all the respondents stressed that there is an increase in the beneficiaries' income. Most of the trainees that have successfully graduated from the course have started their businesses and they have been living comfortably taking care of their personal and family needs. And that before they will be enrolled in the training programmes they don’t have means of earning income and as a result of the training they have acquired, they were able to learn a skill, utilise the skill learned and have increase in their income and made them to be able to experience better living and have reduction in their poverty status significantly.*

Research Question 2. Which of the specific skills acquired has led to income increase across the beneficiaries?

This interview question is related to the achievement of objective two of this study, i.e., to determine the specific skill that have contributed most to the increase in income of the beneficiaries. All the respondents interviewed have freely expressed their minds, and they almost have a similar opinion therefore, their responses are gathered together and presented below**.**

> *Most of the participants in this interview have shared their varying experiences based on their understanding of the situation of the beneficiaries after the completion of their course. All the respondents stressed an increase in the beneficiaries' income. However, 85% of the participants in the interview stressed that those successful beneficiaries that have found to be working and engaged in welding are those that had significant increases in their income and found to be successfully able to rent a good house for themselves, buy some land, and gradually build the land through the income earned from the skill acquired. Therefore, they have access to housing either by paying rent, purchase of land or buying a house as a result of the training acquired and have reduction in their poverty status.*

Research Question 3. Has the increase in income of the beneficiaries as a result of the skill acquired enabled them to have affordability to housing?

This interview question is related to the achievement of objective three of this study, i.e., to determine whether the increase in the income of the beneficiaries as a result of the skill acquired been able to afford them access to housing. This access to housing is in terms of rental, purchasing or building a new one after the completion of their course. In this interview, participants have freely expressed their views, and share their experiences and their responses are gathered and presented below.

> *In this interview, all the respondents stressed that there is an increase in the beneficiaries' income. They further added that it is few of the successful beneficiaries that were able to buy a house as a result of the improvement in the income they have earned but most of the successful beneficiaries that have started their businesses after the completion of their course were able to rent a comfortable house and some have been able to purchase land for future development and gradually were able to purchase building materials for the purpose of building the house to solve their housing needs. This means that, the administrators have identified some successful beneficiaries with a moderate income increase that has made them rent a good house for themselves, buy some land, and gradually build the land through the income earned from the skill acquired.*

Dynamic Panel Data Regression Analysis

Here the generalized method of moment's dynamic panel data analysis shows the programme wise impact of the different training programmes on the beneficiaries. This means that it shows the impact of the intervention on the beneficiaries before they joined the programme and after they have acquired skills in the various training programmes of the SATP. And the category of the programme that have mostly impacted on the beneficiaries after the completion of their course.

Impact of the income earned on beneficiaries' access to housing

Dependent Variable: HOU
Method: Panel Generalized Method of Moments
Transformation:
First Differences
Date: 12/02/23 Time: 09:29 Sample
(adjusted): 2010
2012 Periods
included: 10
Cross-sections included: 7
Total panel (balanced) observations: 70
White period (period correlation) instrument weighting matrix
White period (cross-section cluster) standard errors & covariance (d.f. corrected)
WARNING: estimated coefficient covariance matrix is of reduced rank Standard error and t-statistic probabilities adjusted for clustering Instrument specification: @DYN (HOU, -2)
Constantly added to the instrument list

Variable	Coefficient	Std. Error	t-Statistic	Prob.
HOU (-2)	0.905832	21.06948	2.325981	0.0275
Comp	3.197496	6.859131	2.145157	0.0388
Carp	5.448669	19.64264	3.605035	0.0156
Weld	0.994015	2.066833	2.079277	0.0239
Tail	5.779062	22.24315	3.848920	0.0428
Elect	5.285799	7.244063	3.729673	0.0443
Red BR	4.189019	19.71430	2.479186	0.0413

Effects Specification

Cross-section fixed (first differences)

Mean dependent var	0.414286	S.D. dependent var	7.286065
S.E. of regression	83.48600	Sum squared resid	439104.4
J-statistic	6.05E-21	Instrument rank	7

Arellano-Bond Serial Correlation Test Equation:
Untitled
Date: 12/02/23 Time: 09:31 Sample:
2010 2021
Included observations: 70

Test order	m-Statistic	rho	SE (rho)	Prob.
AR (1)	-0.008933	-164875....	4215530	0.9231
AR (2)	-0.009033	- 4655.81...	5153207....	0.9928

*Standard errors could not be computed. Try different covariance matr...

Table 1 presents the results between skill acquisition and housing. The pretest shows that the model is robust for interpretation. The J statistics confirm the instrument variable's suitability and resolve the endogeneity problem. The first and second serial correlation. AR1 (-0.008933, 0.9231) and AR2 (-0.009033, 0.9928) indicates that the models are free from serial correlation; hence the dynamic panel estimation satisfies the underlying econometrics properties. Initially, all the variables were logged to linearize and make the variable follow spherical distribution (normal log), which also justifies the model's fitness based on the pretest conducted. It was shown in table 4.3.1 that the lag effect of the estimated result, which is represented by HOU (-2), shows that the previous year's access to housing of the beneficiaries of SATP has positively and significantly increased by approximately 90.5 % from the period 2010-2012 as a result of the increase in the income of the beneficiaries because of the training they have acquired.

Consequently, the access to housing of the beneficiaries of computer training has increased from the period 2010-2012 by approximately 19.7%, the beneficiaries of carpentry by approximately 44.8 %, the beneficiaries of welding by approximately 99.4 %, the beneficiaries of tailoring by approximately 77.9 %, electrical work by approximately 28.5 %, block making and interlocking by approximately 18.9 %. These results indicate that the previous year’s access to housing of the beneficiaries of SATP has positively and significantly increased from the period 2010-2012 (before they joined the programme and after they have acquired the skills and got engaged) as a result of the training they have obtained in the various programmes.

Table 1: Summary of Panel Data Result

Lagged Variable	Percent increase	P value	Decision
(HOU, -2)	90.5 %	0.027	Significant
(Comp)	19.7 %	0.038	Significant
(Carp)	44.8 %	0.015	Significant
(Weld)	99.4 %	0.023	Significant
(Tail)	77.9 %	0.042	Significant
(Elect)	28.5 %	0.043	Significant
(Red BR)	18.9 %	0.413	Significant

Source, Author

Least Square Regression Analysis

The lag effect of the estimated results is shown from the impact of the previous years' income to the current year's income of the beneficiaries and how it impacts on their access to housing from the period 2013-2021. It shows the increase in the income of the successful beneficiaries after a three-year interval and reveals the successes that have been recorded by those who were earlier engaged and got employed and those that were later engaged and got employed.

Lag Effect of Estimated Result on Income and Housing

Dependent Variable: LOG (HOUS)
Method: Least Squares
Date: 12/25/23 Time: 17:22
Sample(adjusted): 2013 2021
Included observations: 9 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.436471	0.305255	4.705806	0.0087
LOG(INCOM)	0.236037	0.085835	2.749904	0.0494
LOG (INCOM (-3))	0.824372	0.787091	4.375274	0.0471
LOG (INCOM (-6))	0.660481	3.167792	4.165410	0.0227
LOG (INCOM (-9))	0.340161	3.581661	3.361313	0.0070
R-squared	0.840571	Mean dependent var		4.011629
Adjusted R-squared	0.702856	S.D. dependent var		0.047486
S.E. of regression	0.025885	Akaike info criterion		-4.595398
Sum squared resid	0.000670	Schwarz criterion		-4.768932
Log likelihood	18.78620	F-statistic		3.956719
Durbin-Watson stat	1.843867	Prob(F-statistic)		0.358426

From table 2 it has been revealed that the lag effect of the estimated result which is represented by LOG (INCOM (-3)) is showing that the previous year's income of the beneficiaries of SATP from 2013-2015 has positively and significantly increased their current year's access to housing by approximately 82.43 %. The LOG (INCOM (-6)) shows that the previous year's income of beneficiaries of SATP from 2016-2018 has positively and significantly increased their current years access to housing by approximately 66.05 %, LOG (INCOM (-9)) shows that the previous year's income of the beneficiaries of SATP from 2019-2021 has positively and significantly increased their current years access to housing by approximately 34.01 %. This means that a 23.60 % increase in income has positive and significant relationship with increase in the access to housing of the beneficiaries. Hence, those who gained income earlier created more significance on housing than those who gained income after them.

Table 2 Summary of lag effect from 2013-2021 (Housing)

Lagged Variable	Percent increase	P value	Decision
LOG (INCOM)	23.60 %	0.049	Significant
LOG (INCOM (-3))	82.43 %	0.047	Significant
LOG (INCOM (-6))	66.05 %	0.002	Significant
LOG (INCOM (-9))	34.01 %	0.007	Significant

Source, Author

Table 2 shows that those who were enrolled and completed their training and gained income within the period 2013-2015 have created more significance and access to housing (82.43%) than those who were enrolled and completed their training and gained income within the period 2016-2018 (66.05%), and those within the period 2019-2021 (34.01%).

Discussion of Findings and Results Merging

Academic discourse on solution to housing deficit in Nigeria is a fertile and rich theme. Leading observers have advanced different perspectives on how best to provide housing for the country's poor and vulnerable. Approaches such as direct state provision, indirect provision through beneficiaries' capacity building (Mabogunje 2012; Mehmet 2009), as well as mixed strategy (Fasakin 1998; Oduwaye 1998) have been advocated. The present study is an endeavor to contribute in this dialogue.

Data from this study indicates that there is significant and positive increase in the income of the beneficiaries as a result of the training they have acquired after completing their course. This can be seen from the results of the narrative qualitative interview which showed that there is an increase in the income of the beneficiaries after the completion of their course. Similarly, the results of the dynamic panel data regression analysis showed that there is improvement in the income of the beneficiaries from the period 2010-2012 before they join the programme and after they have acquired skill in the various programmes by approximately 90.5 %. What this suggests is that there is a significant increase in income of the beneficiaries and access to housing of the beneficiaries trained in computer by approximately 19.7 % from their previous year's access to housing as a result of computer training.

This improvement is not a one-off. Instead, it is wide-ranging. Indeed, other categories of the beneficiaries have revealed similar positive and significant increase in their income and access to housing before they joined the programme and after they have acquired skill from the period 2010-2012 by approximately 44.8 % as a result of skill acquired in carpentry, welding by 99.4 %, tailoring by 77.9 %, electrical work by 28.5 % and block-making and interlocking by 18.9 % respectively. The results showed a significant and positive relationship between the skills acquired by the beneficiaries and its impact on increase in income and access to housing of the beneficiaries of different training programmes in the SATP. It further showed that welding is the skill acquired that had the most significant contribution to the beneficiaries income and access to housing after they have completed their training and got engaged.

Similarly, the results of the least square regression analysis showed that the income earned by the beneficiaries has positive and significant increase in their access to housing from the period 2013-2015 by approximately 82.43 %, 66.05 % from the period 2016-2018 and 34.01 % from the period 2019-2021 as a result of percentage increase in their income. It indicates that the beneficiaries that earlier got skill and engaged within the period 2013-2015 had high percentage of increase in their income and access to housing than the beneficiaries within the period 2016-2018 and 2019-2021. More so, in the narrative qualitative data from the administrators of the training programmes, a similar result was obtained where interview participants revealed that the income earned by the beneficiaries as a result of the training acquired had impacted on their access to housing gradually by rental, land accessibility, purchase of building materials and buying the house to solve their housing needs.

In this regard, the results obtained from the interview participants, dynamic panel data regression, and least square regression analysis converge and echoed Aluko’s (2008), observation that housing and income are associated, with the latter serving as a route for access among low-income earners. Indeed, Mehmet (2009), observed that government alone cannot satisfy the housing needs of the citizens and that the best means to satisfy the citizens' housing needs is to empower them to be self-reliant and have higher income potential so that they can afford or cater to their housing needs.

Other findings (Sanmi & Ajibola, 2015), hold that poor people with low or no skills find it difficult to access a house. Olatunde (2016), for instance emphasises that while discussing housing, affordability comes first, and income drives affordability to access housing. Oduwaye (1998), argued that individuals should be afforded land to access housing by themselves because government alone cannot satisfy the citizens' housing needs when the country's population is geometrically increasing. However, to Mabogunje (2012), the efforts of the government have not been sufficient in meeting the demand for housing for low-income people particularly in Nigeria, because of several reasons such as; urbanisation, population growth, and the rise in the demands for housing. Consequently, empowering the people to acquire skills would enable them to utilise their new skillsets to earn income. This in turn would enhance their access to either rental house, purchase building materials, buy land and purchase the house for themselves to solve their housing needs.

Conclusion and Recommendations

Conclusion

This study concludes that there is significant and positive improvement in the income of the beneficiaries as a result of the skills acquired after the completion of their course. This is evident from the results of the narrative qualitative interview results, the dynamic panel data analysis, and the least square regression analysis which showed that there is significant and positive increase in the income of the beneficiaries: they were able to have reduction in their level of poverty after the completion of their course.

The study further concluded that the increase in income earned by the beneficiaries has positively and significantly impacted on their access to housing. The results of the dynamic panel data regression suggest a positive and significant increase of 90.5 % from the period (2010-2012) before they join the programme and after they have acquired skills in the various training programmes.

Again, the study concludes that welding as a skill acquired was the skill that contributed the most towards beneficiaries' increase in income and poverty reduction. Therefore, the successful beneficiaries were able to afford rental house, purchase land, building materials and even buy the house as a result of the skill acquired that have earned them improvement in income and poverty reduction after the completion of their course.

Finally, this study concludes that the beneficiaries that were earlier enrolled and got engaged between 2013-2015 had higher increase in their income that results them to housing affordability and poverty reduction than the beneficiaries that later got engaged between 2015-2018 and 2019-2021 as a result of a percentage increase in their income. This is evident from the least square regression analysis results and the qualitative interview results which showed an improvement in access to housing of the beneficiaries that were earlier enrolled and got engaged than those beneficiaries that later joined the programme as a result of percentage increase in their income. Thus, the successfully trained beneficiaries that were enrolled earlier had higher opportunity and increase in income and afforded access to rental house, purchase land, building materials and buy the house as a result of the skill acquired that have earned them increase in income and poverty reduction after the completion of their training.

This study recommends that the Government of Borno State should sustain the Skill Acquisition Training Programme. The programme should be prioritised with enhanced budget to enable broader reach. Similarly, the study recommends that the government should tie the programme to a mortgage scheme. This would enable graduates of the programme to access housing as soon as they graduate.

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EFFECT OF PHISHING ON ELECTRONIC BANKING ADOPTION AMONG ACADEMIC STAFF: ROLE OF CYBER SECURITY

[1]Umar Faruk IBRAHIM, [2]Prof. Salisu Abubakar & [3]Prof. Idris Aliyu Ahmad

[1]Department of Business Administration, Ahmadu Bello University, Zaria
[2]Department of Accounting, Ahmadu Bello University, Zaria
[3]Department of Actuarial Science, Ahmadu Bello University, Zaria
[1]ibrahim.faruk92@gmail.com
[1]08065273013, [2]08033860665, [3]08034067017

Abstract

The electronic banking system is rapidly evolving in both developed and developing countries. However, its adoption has become increasingly vulnerable to sophisticated cyber threats, particularly phishing. This study examines the moderating role of cyber security in the relationship between phishing and electronic banking adoption among academic staff in the Faculty of Engineering, Ahmadu Bello University, Zaria. A survey research design was employed to collect data from 165 respondents, and the analysis was conducted using Partial Least Squares Structural Equation Modelling (PLS-SEM) with SmartPLS Version 4. The results indicate that phishing has a significant negative effect on electronic banking adoption ($\beta = -0.652$, $p < 0.001$), confirming that phishing undermines users' confidence in adopting electronic banking systems. Furthermore, cyber security significantly moderates this relationship (interaction $\beta = 0.204$, $p < 0.001$), suggesting that enhanced cyber security measures can mitigate the adverse effects of phishing and promote greater adoption of electronic banking. Based on these findings, the study recommends that financial institutions should implement regular awareness campaigns targeted at academic staff to improve their alertness to phishing techniques and to continuously educate them on secure online banking practices.

Key Words: Cyber Security, Electronic Banking and Phishing

Introduction

Developed countries have already made electronic banking a mainstream method, while developing countries are starting to catch up. The proliferation of electronic banking adoption has transformed the delivery of financial services across the globe (Nkoyi et al., 2019). However, the digitalization of the economy provides opportunities for central bank digital currencies (CBDCs) to foster more cost-effective and secure transactions, promote financial inclusion, and reduce reliance on physical cash (Laszewski, 2023; Ozili, 2022). Hence, the adoption of e-banking has brought about a significant paradigm shift in the banking sector, specifically in Nigeria through the introduction of electronic banking, online transactions, mobile banking, and Automated Teller Machines (ATMs) (Isa 2023; Francis, 2021). Electronic payment (E-Payment) systems were adopted to improve service delivery, decongest queues during cash payment, enable customers to withdraw cash at will, aid international payments and remittances, track personal cash transactions, request online statements, or even transfer deposits to a third-party account (Ezenwafor, 2023).

Conversely, the digital fraud is plaguing organizations globally, including Nigerian financial institutions, which have transitioned from traditional cheque transactions to electronic payment platforms, thereby giving rise to maladaptive behaviours (Offiong, 2022). It was almost impossible to create sufficient awareness to convince banks customers to adopt electronic banking. However, exposing the users to electronic banking channels such as ATM, internet banking and mobile banking will simplify awareness creation on e-banking and elicit a favourable attitude from the users (Inegbedion et al., 2019). Electronic banking plays a significant role in banks' operational efficacy in Nigeria, and it is one of the major sources of increased general performance, though, it is still not secured enough to ensure adequate patronage (Taiwo & Agwu, 2017).

However, electronic banking security is not merely a technical challenge but a socio-technical one, requiring harmonized strategies that consider technological innovation, human behaviour and institutional constraints (Waliullah et al., 2025). The occurrences of phishing as a cyber-fraud linked to the Internet banking system are on the rise, and a growing number of individuals worldwide are falling victim. Therefore, the susceptibility is often attributed to inattention, psychological vulnerabilities, etc. (Ilchenko et al., 2019). For example, the Universities in developing nations, including Nigeria, face cyber-fraud risks due to inadequate management of cyber resources. This mismanagement leads to threats and breaches in cyber security, causing significant financial, social, and intellectual property losses (Badamasi & Utulu, 2021).

According to Badamasi et al., (2019), social engineering, denial-of-service attacks, website defacement, and pharming attacks were among the types of cybercrimes occurring on the Ahmadu Bello University network. Following the onset of COVID-19 and subsequent restrictions, schools suddenly transitioned to online learning models. This prompted higher education institutions nationwide to reassess their cybersecurity strategies (Bresnick, 2021). According to Muthuppalaniappa and Stevenson (2020), the COVID-19 pandemic has led to prevalent interruptions, with Universities facing increased cybersecurity threats. Since the pandemic's onset, various academic institutions globally have been targeted in sophisticated cyber-attacks.

Njoku et al., (2019) emphasised that the education sector faces significant challenges from major cybercrimes like phishing, ransomware, and DDoS attacks, which increasingly targeting schools. These tactics pose serious cybersecurity threats to tertiary institutions as they can result in the leakage of personal information, extortion of data for financial gain, or disruption of institutional functioning. Njoku et al. (2019) added that all major cybercrimes, such as phishing, ransomware, and DDoS attacks, which have increasingly targeted educational institutions, are not widely recognized by staff and students. Unfortunately, incidents of cybercrime within tertiary institutions are not being reported to law enforcement authorities by staff, posing a significant challenge to combating cyber-fraud (Njoku et al., 2019).

Phishing as a cybercrime exploit social engineering skills to manipulate the trust of online banking users with the goal of acquiring critical financial data and pilfering confidential information (Sylvester, 2022; Andriani et al., 2023; Rikzan & Zolkipli, 2023). However, Nigeria moved from a country with zero legislation on cybersecurity to a country with an extensive law through the enactment of the Cybercrime (Prohibition, Prevention, Prosecution, Etc.) Act in 2015 (Balogun & Oturu, 2019). For example, in 2023, the Internet Crime Complaint Center (IC3) received over 69,000 complaints related to crypto currency fraud, with reported losses exceeding $5.6 billion. The frauds are transactional in nature with actors operating from various countries including Nigeria (FBI, 2023).

However, the concurrent rise in electronic banking has brought security concerns, leading to a doubt in its usage and a negative impact on user confidence in the safety of their finances and information (Sarjiyus et al., 2019). Privacy and security concerns are significant barriers, with users lacking trust in banks to secure their personal information, thereby hindering internet banking adoption (Uche, 2023). Therefore, security awareness plays a crucial role in preventing phishing attacks (Adani et al., 2024). Fortunately, phishing has a 100% prevention rate, high classification accuracy, and a strong resistance to brute-force attacks (Qian, 2024).

Cybersecurity, robust authentication, identification, and verification techniques serves as critical defence against the escalating frequency of cyber threats as digitalization in the banking sector expands (Sekhar & Kumar, 2023; Simon, 2023). Limna et al., (2022) added that cybersecurity knowledge and awareness are crucial to influencing the behaviour of mobile banking users in terms of protection.

Statement of the Problem

Electronic banking platforms have become a primary target for cybercriminals, particularly through phishing attacks that compromise financial data and undermine users' trust. These crimes not only affect individual users and financial institutions but also have broader implications for national economies (Cornelius & Simon, 2023). Phishing, which relies on social engineering techniques to deceive users, enables attackers to extract sensitive information such as usernames, passwords, debit/credit card numbers, and PINs (Gomes et al., 2022; Rikzan & Zolkipli, 2023). The erosion of trust resulting from such breaches poses a serious threat to the adoption and growth of electronic banking services (Ilchenko et al., 2019; Andriani et al., 2023).

While several studies have established a significant negative impact of phishing on electronic banking adoption (Ighomereho & Sajuyigbe, 2022; Rizwan, 2022; Khan et al., 2021; Nair & Idris, 2019), others have reported insignificant or mixed results (Malik, 2020; Ibanichuka & Oko, 2019; Belas et al., 2016; Muoghalu et al., 2018; Obadeyi et al., 2022; Hussain et al., 2021). These inconsistencies suggest the possibility of moderating variables influencing the phishing–adoption relationship. However, few studies have explored this possibility.

Khan et al., (2020), in a study conducted in Pakistan, recommended the need for further research across different sectors and cultural contexts to validate their findings. Although previous research has investigated cybercrime's impact on various populations—including students, employees, and non-banking sectors (Sing & Nasuredin, 2023; Ebem et al., 2023; Ghallab & Zhu, 2022; AL-Khafaji et al., 2019)—very few have focused on university faculty or integrated the role of cybersecurity as a moderating factor in phishing-related studies.
Despite the technological advancements in the financial sector and efforts by banks to implement stronger cybersecurity frameworks, concerns about transactional security continue to hinder electronic banking adoption. Yet, to the best of our knowledge, no known study has examined the combined effect of phishing and cybersecurity **on** electronic banking adoption within the context of academic staff in a university setting.
This study, therefore, aims to fill this critical gap by investigating the moderating role of cybersecurity in the relationship between phishing and electronic banking adoption among academic staff in the Faculty of Engineering, Ahmadu Bello University, Zaria.

Literature Review

Concept of Electronic Banking

Electronic banking (e-banking) has transformed how financial services are accessed and delivered, leveraging information and communication technology (ICT) to enable remote, real-time transactions. It is commonly referred to as internet banking, mobile banking, or online banking (Inegbedion et al., 2019; Emefiele et al., 2018). Modern e-banking services include fund transfers, bill payments, balance inquiries, and mobile app-based transactions, all enabled through secure protocols such as Secure Sockets Layer (SSL) (Mols, 2019; Mishra, 2020).

Several researchers have categorized e-banking into various channels automated teller machines (ATMs), point-of-sale (POS) systems, mobile banking, and internet banking being the most prominent (Esmaeili et al., 2021; Frank & Binaebi, 2019). Among these, mobile banking is often highlighted as the most innovative due to its ubiquity and flexibility (Shankara et al., 2020).

Despite extensive coverage of e-banking features and adoption patterns, a major gap remains in understanding how specific risks, such as phishing, influence user trust and channel utilization. While Hoehle and Huff (2009) identified a lack of alignment between e-banking channels and user tasks, subsequent research has not sufficiently examined how cyber security threats disrupt this alignment and impact adoption behavior, particularly in developing economies like Nigeria. Thus, this study shifts the focus from mere functionality of e-banking to security perception**,** proposing that phishing attacks may play a decisive role in shaping adoption decisions.

Concept of Phishing

Phishing is a form of cyber-attack rooted in deception, where attackers impersonate trustworthy entities often banks to trick individuals into divulging sensitive data such as passwords or financial information (Das et al., 2019). Though initially observed in the late 1990s targeting AOL users, phishing has since evolved, incorporating mobile phishing, spear-phishing, and social media scams (Jakobsson & Myers, 2006; Hadnagy, 2018).

Phishing exploits digital platforms to simulate legitimate communications or websites. Victims are lured into clicking malicious links or entering confidential data into spoofed interfaces (Emefiele et al., 2018; Alansari et al., 2019). While these definitions are consistent, most studies describe phishing from a technical or definitional perspective, rather than assessing its behavioural impact on e-banking adoption. Although phishing represents a growing security concern, especially in the financial sector, little empirical research has explored how fear or experience of phishing directly affects electronic banking behaviour. This gap is even more critical in contexts like Nigeria, where digital banking is expanding rapidly but with limited cyber security literacy among users. This study addresses this shortfall by investigating the behavioural effects of phishing threats on the adoption of e-banking platforms**,** thereby contributing to a deeper understanding of user trust in electronic financial services.

Concept of Cyber Security

Cybersecurity encompasses the technologies, practices, and policies designed to protect digital systems and data from malicious attacks (Sherali et al., 2020; Wilson & Kingsley, 2019). It is often used interchangeably with computer security and information security (Jibril et al., 2019). Broadly, it involves safeguarding hardware, software, databases, and networks against unauthorized access, data breaches, and operational disruptions (Giri, 2019; Lee, 2021).

However, there is no universally agreed-upon definition of cybersecurity. For instance, Uzoka (2020) expands the term to include the protection of cyberspace users in personal, social, and national dimensions, while Akpan (2019) emphasizes the need for both technical and procedural security layers. Notably, while existing literature outlines the components of cybersecurity, few studies empirically link these security measures to actual user behaviour in electronic banking, particularly in environments vulnerable to social engineering attacks. There is also limited understanding of how cybersecurity awareness or lack thereof shapes the response of bank customers to phishing attempts.

Hence, this study contributes by exploring how the perception and awareness of cybersecurity interact with phishing threats to influence e-banking adoption**.**

Review of Empirical Literature

Effect of Phishing on Electronic Banking Adoption

Waliullah et al., (2025) present a systematic review of cybersecurity threats in digital banking, emphasizing the ongoing risks of phishing, malware, and ransomware. The study affirms the benefits of technologies like multi-factor authentication, biometrics, AI-based fraud detection, and blockchain, while noting challenges related to regulatory compliance and financial technology integration. Although it lacks new empirical data and deeper exploration of regional or behavioural factors, the review offers significant value by synthesizing key contributions for researchers, practitioners, and policymakers working to enhance digital banking security and adoption.

Adani et al., (2024) examine the importance of security awareness in combating phishing attacks using both quantitative and qualitative methods. Data were collected through structured questionnaires, while qualitative insights came from semi-structured interviews. Data were analyzed using SPSS (version 29.0) with simple linear regression and validity tests, revealing a significant positive relationship. The study makes a meaningful contribution by underlining the positive impact of security awareness on phishing resilience. However, it is limited by its small, localized sample and lack of analysis on demographic mediators.

Qian (2024) evaluated the effectiveness of a combined one-time password system in preventing phishing in electronic banking using quantitative methods. The study reported a 100% prevention rate, 94.94% classification accuracy, and strong resistance to brute-force attacks. Despite these strong technical results, the system’s reliance on behavioural data introduces usability and privacy concerns, particularly for users unfamiliar with complex authentication processes.

Yuspin et al., (2024) provide a legal critique of Indonesia's capacity to address phishing threats in digital banking using Friedman’s legal system theory, revealing weaknesses in legal structure, substance, and culture. While existing laws like the Personal Data Protection Act and ITE Law aim to regulate cybercrime, the study finds enforcement to be weak, legal definitions vague, and public awareness low—factors that collectively hinder effective protection against phishing. Although the study offers a thorough legal analysis and relevant recommendations, it lacks empirical data, stakeholder perspectives, and specific policy guidance, limiting its practical relevance.

Rizwan (2022) investigated factors influencing customer adoption of internet banking. Results reveal that complexity and risk negatively and significantly impact internet banking adoption. However, the research lacks a qualitative exploration of customer perceptions, focusing solely on quantitative analysis. In contrast, Ighomereho and Sajuyigbe (2022) explored the factors influencing internet banking usage in Nigeria, focusing on the mediating role of perceived service quality between behavioural characteristics, security risk, and internet banking usage. A research model was developed using the Theory of Planned Behaviour, incorporating security risk as an antecedent variable, with perceived service quality acting as a mediator. Findings indicate that security risk has a negative correlation with internet banking usage, while other indicators show positive correlations.

Consequently, Ibanichuka and Oko (2019) investigated "Electronic Fraud and Financial Performance of Quoted Commercial Banks in Nigeria." The study measured electronic fraud using point-of-sale fraud as a proxy, and considered return on investment as proxy for financial performance. The study reports a negative and insignificant relationship between electronic fraud channels (specifically automated teller machine fraud, mobile banking platform fraud, and point-of-sale fraud) and financial performance variables. However, the coefficients were statistically insignificant. The findings of the study contradict other studies, which reported a significant relationship. This inconsistency raises concerns about the generalizability of the findings.

Foo-Wah et al., (2019) investigate consumers' parsimony of mobile internet banking usage, focusing on perceived ease of use, perceived usefulness, and perceived risk. The results indicated undisclosed significant p-values but revealed a positive influence of perceived ease of use, perceived usefulness, and perceived risk on the adoption of mobile internet banking. However, the inconsistency raises concerns about the generalizability of the findings. The findings of the study contradict other studies that reported a significant negative relationship.

Obadeyi et al., (2022) studied the impact of electronic banking fraud on the performance of commercial banks in Nigeria. It highlights the increasing threat of fraud perpetrated through these platforms. The study reported inverse findings, suggesting that electronic banking fraud, particularly through internet banking, has been negatively affecting bank returns. However, the results indicate positive and insignificant relationships across different electronic banking channels and financial performance metrics.

Belas et al., (2016) explore the relationship between electronic banking security and customer satisfaction in commercial banks, focusing on electronic banking products. The findings include varying levels of trust in bank security, high usage of electronic forms of banking, and concerns about the security of electronic payments. However, only 71.96% of respondents believe their bank takes proper care of their money, indicating a relatively low level of trust in bank security.

Furthermore, only 78.19% of respondents trust the security of electronic payments**,** indicating some skepticism despite the relatively high percentage. Approximately 83.13% of respondents rely on the security measures applied by their banks in online banking, while about 12.77% reported they had been a target for hackers. Singh and Nasuredin (2023) explore the relationship between factors and the adoption of e-payment services among UTHM students. The study found that perceived usefulness, perceived ease of use, perceived security, and trust significantly influence the adoption of e-payment services among UTHM students. However, perceived security has the lowest mean value, suggesting that concerns about financial risks associated with e-payment services exist among respondents. Consequently, the study was limited in time for data collection and lacked collaboration from respondents.

Yamen (2023) conducted research on individuals' acceptance and behaviour towards online banking at the Australian University in Kuwait and explored the drivers influencing the intention to use digital banking services, focusing on e-banking and m-banking. The study found that perceived usefulness, ease of use, risk perception, trust, privacy concerns, and fear of phishing were notable among respondents. Ilchenko et al., (2019) discussed phishing as a form of cybercrime within the context of internet banking. The study identifies the characteristics and objectives of phishing, as well as the methods commonly employed. The study emphasizes the importance of addressing phishing through legal and regulatory frameworks at the international level. The study emphasizes the negative impact of cybercrime on the efficiency of banking systems and suggests measures to enhance information security and raise awareness among employees. However, the study lacks empirical evidence and quantitative data to support its claims and conclusions.

Jansen and Leukfeldt (2016) investigated phishing and malware attacks on online banking customers in the Netherlands. The findings indicate that the suitability of individuals as targets, as suggested by the routine activity approach, has only a marginal influence on victimization. Approximately one-third of the respondents were aware of the scam before falling victim. Most participants had taken precautionary measures to protect themselves against online banking fraud, but phishing victims exhibited negligence by disclosing security codes to fraudsters. Additionally, some respondents reported a lack of knowledge and skills in online banking security, finding it challenging to assess the effectiveness of protective measures.

H_{01}: Phishing has no significant effect on electronic banking adoption among academicstaff in Faculty of Engineering, Ahmadu Bello University, Zaria

Cyber Security as a Moderator

The influence of cybersecurity measures on users' trust, confidence, and willingness to adopt electronic banking services, despite potential cybercrime risks, is a critical aspect of contemporary discussions. This section explores the role of cybersecurity as a moderator in the context of phishing with respect the adoption of electronic banking. Diptiben et al., (2022) advocate for the integration of biometric security measures such as fingerprints and passwords, coupled with machine learning and data analytics techniques. These measures enhance security, securing user transactions and mitigating potential threats from malicious actors.

Sarjiyus et al., (2019) have developed a framework that effectively addresses key security objectives, ensuring authentication, confidentiality, integrity, and non-repudiation in online banking transactions. Additionally, Akintoye et al. (2022) emphasize that cybersecurity, risk management measures, and bank monitoring collectively impact the financial innovation of deposit money banks in Nigeria. However, Studies in the existing literature (Ali et al., 2023; Ojeka et al., 2017; Sarjiyus et al., 2019; Akintoye et al., 2022) support that cybersecurity has a statistically significant positive impact on electronic banking usage.

In conclusion, understanding and implementing robust cybersecurity measures are imperative for fostering trust, confidence, and the successful adoption of electronic banking services. The positive effects highlighted in recent studies underscore the crucial role that cybersecurity plays in promoting the secure and widespread utilization of electronic banking services.

H02: Cyber security does not moderate the relationship between phishing and electronic banking adoption among academic staff in Faculty of Engineering, Ahmadu Bello University, Zaria

Theoretical Framework

This study employed the Protection Motivation Theory (PMT), developed by Rogers (1975), which explains how individuals respond to threats by adopting protective behaviors. PMT involves two key processes: **threat appraisal** (assessing the severity and vulnerability of a threat) and **coping appraisal** (assessing the effectiveness of protective actions and one's ability to perform them).

In this context, **phishing** represents the perceived threat that discourages electronic banking adoption, while **cybersecurity** serves as a coping mechanism that builds users' confidence by providing effective protection. The presence of strong cyber security reduces the negative impact of phishing, encouraging the adoption of electronic banking. Prior research supports PMT's application in information security (Ifinedo, 2012; Vance, Siponen, & Pahnila, 2012), making it a strong theoretical framework for this study.

Figure: 1 Research Model

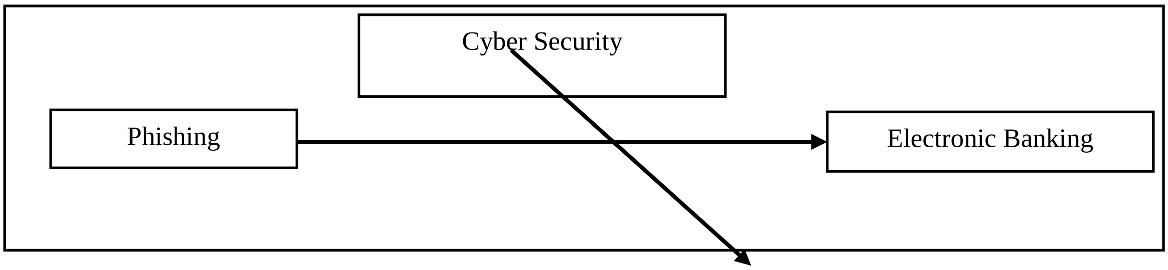

Figure 1 is the research model adapted from Delroy, (2019) showing the independent variables of this study which is phishing while, on the other hand, the dependent variable is electronic banking, with cybersecurity as a moderating variable. Thus, the study model provides a way of linking the variables of the study. However, previous studies only establish a linkage between independent variables of this study to electronic banking adoption. Hence, this model adds a moderating variable adapted from Khalil et al. (2021) to the established one.

Materials and Method

This study adopted a cross-sectional survey research design, employing a structured questionnaire with closed-ended questions to collect primary data from respondents. The target population comprised academic staff of the Faculty of Engineering at Ahmadu Bello University, Zaria, totaling 188 individuals. The sample size was determined using Krejcie and Morgan's (2007) sample size determinant table. Based on the table, the recommended sample size for a population of 188 is 127. To enhance reliability and account for potential non-responses or unusable questionnaires, a 20% increase was applied, following the suggestions of Bujang (2020), Dillman (2007), and Groves (2006), resulting in a final sample size of 152 respondents. A simple random sampling approach was applied by generating random selections from a complete faculty staff list, where each member had an equal chance of inclusion, ensuring impartial and unbiased participant selection.

Thus, a simple random sampling technique was used to select participants from the academic staff. Out of the 152 questionnaires distributed, 147 were retrieved, and 142 were found usable after excluding five defective responses. This study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS software for data analysis. The sample size of 142 is acceptable for PLS-SEM, as it meets the minimum requirements for model complexity. The Faculty of Engineering was specifically chosen because academic staff in engineering disciplines are generally more engaged with technological tools and platforms, making them more likely to be exposed to phishing attempts and related cyber security threats.

Measurement of Variables

The construct of Identity Theft and items were adapted from Hille et al. (2015), Phishing Scam from Martens et al. (2019), E-Banking from AL-Khafaji et al. (2019), Cyber security from Alharb and Tassaddiq (2021), and the moderator from (Khan et al. 2020). All the constructs used in this study were assessed using a 5-point Likert scale ranging from 1 "strongly disagree to 5 strongly agree."

Results and Discussion

This study used Smart PLS 4 to present the results of the measurement model and structural model for model fit and test of hypotheses.

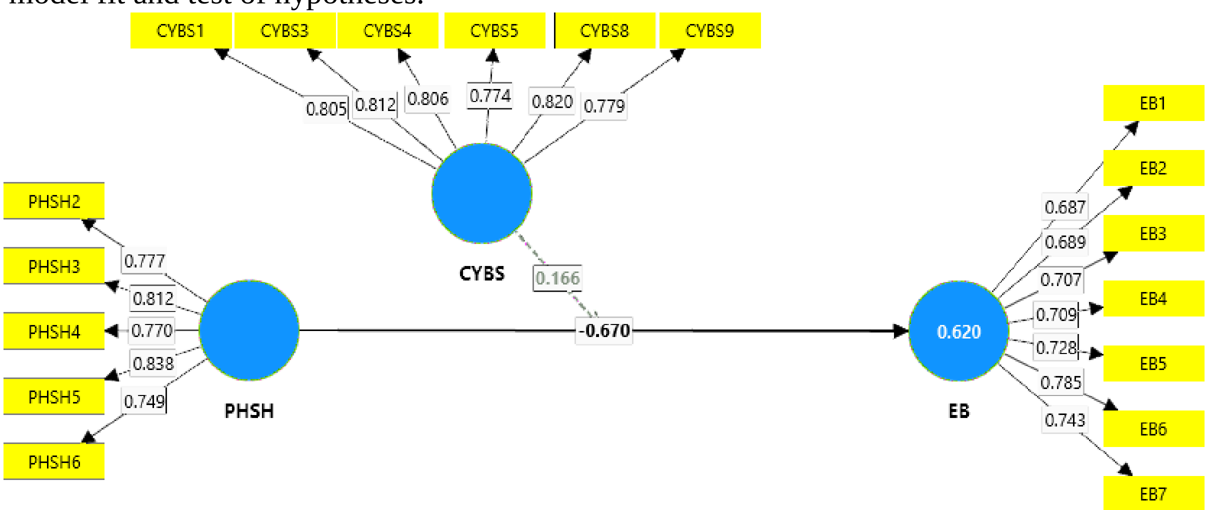

Figure: 2 Measurement Model (outer model)

The figure 1 above and presents the measurement model of the study. The loadings of items measuring the constructs of the study were greater than 0.5 which is the minimum threshold recommended by Hair et'al., (2013). However, items that failed this benchmark were deleted; they include EB8, PHISH1, PHSH7, CYBS2, CYBS6, and CYBS7. All the constructs in the study met the composite reliability 0.7 and average variance extracted of 0.5.

Table 1: ***Construct Reliability and Validity Analysis***

Construct	**Cronbach's alpha**	**Composite reliability**	**Average variance extracted (AVE)**
Cyber Security	0.892	0.914	0.639
E-Banking	0.847	0.884	0.521
Phishing	0.849	0.892	0.624

Table 1 above presents the measurement model of the study while, the first column represents the constructs followed by the Cronbach's alpha (CA), composite reliability (CR) and average variance extracted (AVE). In the table, loadings of items of individual construct are shown including Cronbach's alpha (CA), composite reliability (CR) for internal consistency and Average Variance extracted (AVE) for convergent validity of the constructs. Next on the assessment of the model fit is discriminant validity. Fornell and Larker (1984) criterion was used. According to this criterion, the square root of AVE must be greater than the correlation with other variable in the study. This is as presented in table 2 below.

Table 2: Measurement Model: Discriminant Validity ((Fornell-Larcker)

Construct	**CYBS**	**EB**	**PHSH**
CYBS	**0.799**		
EB	0.276	**0.722**	
PHSH	-0.077	-0.741	**0.790**

The square roots of AVE are presented in bolded font on the diagonal and it can be observed that the square root of AVE for CYBS, EB, and PHSH are 0.799, 0.722, and 0.790 respectively. However, the values are greater than the correlations among the constructs, thus this criterion is satisfied.

Table 3: Important Performance Matrix Analysis

Construct	**Total effects (EB)**	**Performance**
CYBS	0.297	61.352
PHSH	-0.670	24.830

Table 3 above reveals that the final target construct, electronic banking was affected directed by cyber security phishing. Firstly, final target construct electronic banking and cyber security have relatively high positive importance with the path coefficient of 0.297. Thus, a unit increase in the predecessor's performance cyber security increases the performance of the target construct electronic banking by 0.297 at 61%. Finally, final target construct electronic banking and phishing have a negative importance with the path coefficient of -0.670. By implication, a unit increase in the predecessor's performance phishing decreases the performance of the target construct electronic banking by 0.670 at 24.83%.

Structural Model (Inner model)

Hair et al., (2013) identified criteria for assessing the structural model in PLS-SEM. These include assessments of significance of the path coefficients and coefficient of determination (R^2). However, to ascertain the direct effect of phishing, it is important to carry out a bootstrapping analysis. Figure 2 presented the structural model of the direct effects and moderation relationship.

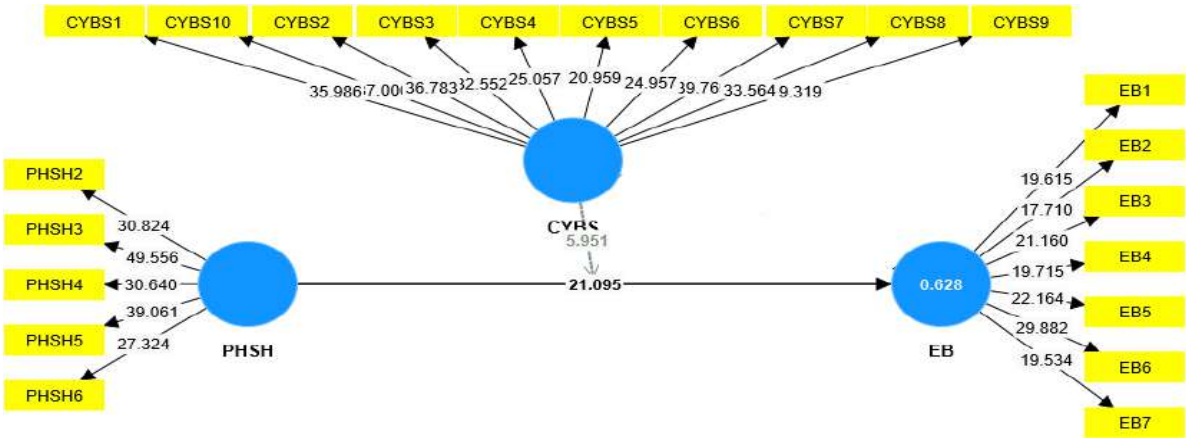

Figure: 3 ***Structural model***

The study tested the hypotheses and the moderation. From Table 3, the study presented the results of the path coefficients for the structural model with the beta value of the relationships and t-statistic.

Table: 4 Test of Hypotheses

Hyp	Relationship	Beta Value	SD	T statistics	P values	Decision
$H0_1$	PHSH -> EB	-0.652	0.031	21.095	0.000	Reject
$H0_2$	PHSH x CYBS -> EB	0.204	0.034	5.951	0.000	Reject

From Table 4, it can be seen that phishing has a significant negative effect on electronic banking adoption among academic staff in the faculty of Engineering, Ahmadu Bello University, Zaria (β = -0.652, t-value = 21.095 and p-value = 0.000). This means a unit increase in phishing will lead to 65.2% decrease in electronic banking adoption. Thus, the first hypothesis (H_1) that state that phishing has no significant effect on electronic banking adoption among academic staff is rejected. The moderating result shows that cyber security significantly moderates the relationship between phishing and electronic banking adoption ($ß$ = 0.204; t = 5.951; p = 0.000). Therefore, hypothesis two which states that cyber security does not moderate the relationship between phishing and electronic banking adoption among academic staff is hereby rejected. This means that a unit increase in cyber security lead to 209% increase in electronic banking adoption among academic staff.

Table 5: *Coefficient of Determination*

Dependent Variable	R-square
E-Banking Adoption	0.628

As shown in Table 5, the exogenous variable of this study explains 62.3% of overall variance in cybercrime scam. This means the exogenous constructs (phishing and cyber security) explains

62.8% of changes in the endogenous variable electronic banking adoption. Other portion of 37.2% is explained by variables not captured in this model.

Table 6: ***Effect Size***

Construct	F-square	Effect Size
PHSH	0.990	Small Effect
CYBS	0.205	Trivial effect
CYBS x PHSH	0.085	Trivial effect

Based on the general guide developed by Cohen (1988), $F^2 < 0.1$ = trivial effect, 0.1 – 0.3 = small effect, 0.3 – 0.5 = moderate effect and $F^2 > 0.5$ = large difference effect. From table, phishing have large difference effect on electronic banking adoption, while cyber security has small effect on electronic banking adoption. Thus, the moderating effect of cyber security on phishing, have trivial effect on electronic banking adoption. Based on general guideline, a trivial effect size is a negligible size even if confirm statistically significant.

Discussion and Implications of Findings

The study found that phishing significantly and negatively affects electronic banking adoption among academic staff at the Faculty of Engineering, Ahmadu Bello University, Zaria, with a 65.2% decrease in adoption as phishing activities increase. This result aligns with previous studies (Aribake & Aji, 2020; Ilchenko et al., 2019; Alsayed & Bilgrami, 2017), which reported that phishing erodes user trust and discourages engagement with online financial platforms.

Drawing on Protection Motivation Theory (PMT), the findings support the idea that perceived severity and vulnerability to phishing (threat appraisal) reduce the likelihood of adopting e-banking services. Additionally, the study shows that cyber security significantly moderates this relationship, mitigating and potentially reversing the negative impact of phishing. This supports the coping appraisal component of PMT, where users assess the effectiveness of security measures and their confidence in using them.

The result also confirms Khan et al., (2020) who emphasised the role of strong cyber security in enhancing user trust. Practically, banks should implement awareness campaigns for users on phishing risks and reinforce visible security features; such as biometric verification and real-time alerts to build trust and promote electronic banking adoption.

Conclusions and Recommendations

Conclusion

The conclusion of this study was derive from the research hypotheses, which demonstrate that phishing activity has a significantly negative impact on academic staff's adoption of electronic banking. Furthermore, the study concludes that cyber security plays a crucial moderating role in this relationship. Specifically, enhanced cyber security measures mitigate the adverse effects of phishing, thereby promoting greater adoption of electronic banking among academic staff.

The study further recommends that financial institutions should implement regular and comprehensive awareness campaigns for academic staff to enhance their alertness of phishing techniques update them on secure online banking practices. Launch consistent communication within the university community. This can keep academic staff informed about the evolving landscape of cyber security threats.

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THE INFLUENCE OF ENTREPRENEURIAL KNOWLEDGE, ATTITUDE TOWARDS ENTREPRENEURSHIP AND ENTREPRENEURIAL INTENTION ON THE MODERATING ROLE OF PERCEIVED CAPACITY

[1]Suleiman Usman, [2]Prof Zainab Dabo, [3]Dr Hashim Yusuf, [4]Prof Maryam Abdu, [5]Dr. Muhammed Yazeed

[1,5]Department of Business Administration, Ahmadu Bello University, Zaria Kaduna State. Nigeria
[2, 3,4]Department of Business Administration, Kaduna State University

Abstract

This study explored how entrepreneurial knowledge and attitudes toward entrepreneurship influence students' intentions to become entrepreneurs, with a special focus on the role of perceived capacity as a moderating factor. Using a survey research approach, data was gathered through self-administered questionnaires, which were randomly distributed among 398 final-year students from the Faculty of Management Sciences at Ahmadu Bello University, Zaria. The analysis was carried out using Partial Least Squares Structural Equation Modelling (PLS-SEM) version 3. Findings revealed that entrepreneurial knowledge has a strong and positive impact on students' entrepreneurial intentions. However, attitudes toward entrepreneurship did not show a significant effect. Interestingly, perceived capacity played a key role in shaping how both knowledge and attitudes influence entrepreneurial intentions. The study adds to existing theory by reinforcing the relevance of the Theory of Planned Behavior in explaining the factors that drive entrepreneurial intentions.

Key words: Attitude towards Entrepreneurship, Entrepreneurial Intention, Entrepreneurial Knowledge, Perceived Capacity.

Introduction

Globally, there is growing interest among researchers and policymakers in understanding students' entrepreneurial intentions, given their critical role in driving economic growth and development (Stoica, Roman, & Rusu, 2020). Countries such as Bangladesh and Sri Lanka are increasingly investing in entrepreneurial initiatives to combat socio-economic challenges like poverty, unemployment, and income inequality (World Bank, 2024). Entrepreneurship development is therefore widely recognized as a catalyst for sustainable economic progress.

Notably, the economic successes of countries like the United States and China underscore the transformative impact of entrepreneurship (Morrison, 2019). In the U.S., for example, higher education institutions have been instrumental in cultivating entrepreneurial mindsets among young people. Similarly, in developing economies such as Nigeria, entrepreneurship has emerged as a key mechanism for job creation and innovation (Samuel & Udom, 2023). The heightened global attention toward student entrepreneurship reflects a growing recognition of its potential to support national development goals (Voda & Florea, 2019).Despite the formulation of supportive policies and programs, levels of entrepreneurial intention continue to vary across countries. The Amway Global Entrepreneurship Report (AGER, 2023), which surveyed 15,000 students across 15 nations, highlighted significant disparities in entrepreneurial interest and motivation.

In the African context, particularly in Nigeria, entrepreneurial intentions have become increasingly prominent (Ezeh, Nkamnebe, & Omodafe, 2020). According to the Global Entrepreneurship Monitor (GEM, 2023), Africa demonstrates high levels of entrepreneurial intention, with Nigeria experiencing a marked increase over the last decade. Entrepreneurship currently contributes approximately 35% to Nigeria's GDP, emphasizing its vital role in the country's economic landscape (CBN, 2022). However, a notable gap persists between students' entrepreneurial aspirations and actual business success, primarily due to various structural and environmental challenges (Nwekeala, 2023).

Entrepreneurial intention is typically defined as the personal resolve or inclination to initiate a business venture, often as an alternative to traditional employment (Yi, 2021). Ladd, Hind, and Lawrence (2019) describe it as a form of deliberate behavior, particularly among university students, aimed at launching a business following the completion of their studies. While previous research has largely focused on individuals already engaged in entrepreneurship (Grine, Fares, & Meguellati, 2015), there is a growing recognition of the need to investigate intention among students and graduates, who represent a vital pool of future entrepreneurs (Gallant, Majumdar, & Varadarajan, 2010).

Many experts give a definition of entrepreneurship, such as (Zimmerer, 2008), is a process of applying creativity and innovation in solving problems and finding opportunities to improve business, which means that the higher the creativity and innovation, the more it will affect the problem-solving efforts faced prospective entrepreneurs in reading business opportunities that exist. While (Drucker 1985) said that entrepreneurship is an ability to create something new and different. The knowledge possessed by an entrepreneur will determine its success in entrepreneurship, because according to Suryana (2014), successful entrepreneurs, in general, are those who have competence, namely those who have knowledge, skills, and individual qualities that include attitudes, motivations, personal values, as well as the behaviour needed to carry out work/activities. The number of entrepreneurs who meet the requirements in a country is determined by the number of students who intend to become entrepreneurs (Linan & Chen, 2009). In countries with large populations, it makes sense to require serious support from the government to appoint students as entrepreneurs because it is entrepreneurial energy, creativity, and motivation that triggers the production and sale of new products and services. It is the entrepreneur who takes the risk of the company seeking profit and who seeks opportunities to make a profit by meeting unmet needs.

Literature Review

Entrepreneurial intention

Entrepreneurial intention refers to an individual's psychological inclination and readiness to engage in entrepreneurial activities. This inclination is often driven by internal motivations such as passion, curiosity, and a sense of self-efficacy (Hurlock, 1993). Fu'adi (2009) identifies entrepreneurial interest as the willingness to work diligently, take calculated risks, adopt new strategies, live modestly, and engage in continuous learning—traits that often precede entrepreneurial action.

According to Bird (1988), entrepreneurial intention is a mental state that prompts individuals to dedicate substantial time, energy, and resources to the goal of becoming entrepreneurs. Krueger (2000) similarly describes entrepreneurial intention as a person's long-term commitment to pursuing entrepreneurial ventures.

H_{01}: Attitude towards entrepreneurship does not significantly affect entrepreneurial intentions of Ahmadu Bello university students.

Entrepreneurial Knowledge

Entrepreneurial knowledge understood as the ideas, skills, and mindset required for entrepreneurship plays a foundational role in entrepreneurial success (Jack & Anderson, 1999; Widding, 2005). Wu, Chang, and Chen (2008) conceptualize it as a key form of human capital that drives innovation and sustainability in business. This knowledge is not just theoretical but also practical, often guiding the application of skills in context-specific situations.

H_{02}: Entrepreneurial knowledge does not significantly affect entrepreneurial intentions of Ahmadu Bello university students.

Subjective Norms

Subjective norms pertain to the social pressures or expectations that influence individuals' entrepreneurial decisions (Kornilaki & Font, 2019). Ajzen (2011) defines them as the perceived encouragement or discouragement from influential people in one's social environment. These norms are shaped by family, peers, educators, and cultural values, and can either reinforce or deter entrepreneurial behavior.

Perceived Capacity

Perceived capacity refers to an individual's belief in their own abilities and available resources to undertake entrepreneurial endeavors (Gielnik et al., 2015). It encompasses elements such as self-efficacy and perceived behavioral control. Higher levels of perceived capacity have been associated with stronger entrepreneurial intentions, suggesting that confidence and resource awareness are critical to fostering entrepreneurial activity.

H_{03}: Perceived Capacity does not moderate the relationship between attitude towards entrepreneurship and entrepreneurial intentions among Ahmadu Bello university students.

Relationship between Entrepreneurial Knowledge and Entrepreneurial Intention

Hussain, Zia-Ur-Rehman and Abbas (2021) assessed the moderating role of personal attitude in the relationship between entrepreneurial knowledge and entrepreneurial intentions among management science students in Pakistan. Convenience sampling techniques were implied, and self-administered closed-ended questionnaires was use to collect primary data from the sample of 331 enrolled students in the department of management science at different universities of Pakistan. The data was analyze using the multiple regression model to test the study hypothesis. Findings of the study revealed that entrepreneurial knowledge positively and significantly influences entrepreneurial intentions. The study also reported that personal attitude has a significant moderating role and strengthening the relationship between entrepreneurial knowledge and entrepreneurial intention. The study confirms in theory that the importance of entrepreneurial intention can be assessed using personal attitude and entrepreneurial knowledge.

H_{04}: Perceived capacity does not moderate the relationship between entrepreneurial knowledge and entrepreneurial intentions among Ahmadu Bello university students:

Relationship between Subjective Norms and Entrepreneurial Intention

Maydiantoro, et al., (2021) assert the significant of entrepreneurship as an economic component, especially for students in universities. However, it is not clear what aspects of entrepreneurship play the most significant role in student success. Therefore, the study examines the effect of entrepreneurial attitudes on entrepreneurial intentions, self-efficacy on entrepreneurial intentions, and subjective norms on entrepreneurial intentions. The population of the study were students of the University of Lampung in Indonesia. The sampling technique used purposive sampling with the criteria for final semester students or at least semester 6 to consider decision making after graduation. The number of samples in the study 436 students. Hypothesis testing was assisted by research data analysis using SPSS version 21 software. The results showed that entrepreneurial attitudes had a significant effect on entrepreneurial intentions. In addition, subjective norms also have a significant effect on entrepreneurial intentions. Likewise, self-efficacy also has a significant effect on entrepreneurial intentions. The test of the three variables that affect students 'interest in entrepreneurship can be said that the subjective norm variable is the variable that most influences students' entrepreneurial interest. Study implications and suggestions for future research are also discussed.

Theoretical Framework

Theory of planned behavior

The Theory of Planned Behavior (TPB) remains one of the most widely applied frameworks for understanding and predicting human behavior, particularly in the context of behavioral research (Morgan & Bachrach, 2011; Caplescu, 2014). At its core, TPB posits that an individual's intention is a strong and immediate precursor to actual behavior. This intention can be evaluated through one's attitudes, beliefs, and preferences (Caplescu, 2014). Originally introduced to build upon earlier models of behavioral prediction, TPB has been effectively used across various disciplines to explain a wide range of human actions and the factors influencing them (Glanz, Rimer, & Viswanath, 2008). According to Ajzen (1988), the theory suggests that three key factors—attitude toward the behavior, subjective norms, and perceived behavioral control—jointly shape an individual's intention to perform a specific behavior. These intentions, in turn, are seen as the immediate antecedents of actual behavioral engagement

Materials and Methods

Research Design

This study adopted a survey research design to examined the influence of entrepreneurial knowledge and attitude towards entrepreneurship on entrepreneurial intentions, highlighting the moderating role of perceived capacity. The design was chosen because it is suitable for collecting primary data from a large population and allows for the examination of relationships between multiple variables. The study sought to examine the effects of attitude towards entrepreneurship, subjective norms, and perceived behavioral control on the entrepreneurial intention of final-year students at Ahmadu Bello University, Zaria.

The study focused on final-year students from the Faculty of Management Sciences at Ahmadu Bello University, Zaria, as its target population. This group was chosen because final-year students are more likely to have clearer and more defined career plans as they approach graduation. A total of 398 students were selected from across the faculty. To ensure fairness and representativeness, a simple random sampling technique was employed, giving each student an equal opportunity to be included in the study. This approach helped reduce selection bias and strengthen the generalizability of the results.

Primary data was gathered using a self-administered questionnaire distributed to the participants. The questionnaire was carefully structured to capture responses on key variables, including attitude toward entrepreneurship, entrepreneurial knowledge, perceived capacity, and entrepreneurial intention. The items were adapted from previously validated scales to align with the specific context of Nigerian university students. For example, measures for attitude toward entrepreneurship and entrepreneurial intention were drawn from the Theory of Planned Behavior (Ajzen, 1988). Perceived capacity was assessed using items that reflect self-efficacy and perceived control over entrepreneurial actions.

The collected data were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM), Version 3. PLS-SEM was chosen because it allows for the simultaneous analysis of multiple relationships among variables and is suitable for small-to-moderate sample sizes. PLS-SEM was particularly appropriate for this study as it can handle complex models and estimate the moderating effects of perceived capacity on the relationships between attitude towards entrepreneurship, entrepreneurial knowledge, and entrepreneurial intention.
In this section, the data collected through the survey is analyzed and presented using descriptive and inferential statistics. The aim is to examine the relationships between the independent variables (attitude towards entrepreneurship, entrepreneurial knowledge, and perceived capacity) and the dependent variable (entrepreneurial intention), and to test the study's hypotheses.

Results and Discussions

Descriptive Statistics

Descriptive statistics summarize the demographic profile of the respondents and the key study variables.

Demographic Characteristics of Respondents

The demographic characteristics of the respondents include their gender, age, faculty, and field of study. A summary of these characteristics is provided in a table format:

Characteristic	Frequency	Percentage
Gender		
Male	220	55.3%
Female	178	44.7%
Age Group		
18-21 years	125	31.4%
22-25 years	198	49.7%
26 years and above	75	18.9%

The demographic profile of the respondents in this study shows that out of the total participants, 55.3% (220) were male, while 44.7% (178) were female. Regarding age distribution, the largest group was between 22-25 years, representing 49.7% (198) of the respondents, followed by those aged 18-21 years at 31.4% (125). The smallest group consisted of students aged 26 years and above, accounting for 18.9% (75) of the total respondents. This demographic breakdown provides insight into the composition of the sample used for analyzing entrepreneurial intentions among university students.

Descriptive Statistics for Key Variables

The mean and standard deviation for the key variables are calculated to provide an overview of the respondents' perceptions related to entrepreneurial intention, attitude towards entrepreneurship, entrepreneurial knowledge, and perceived capacity.

Variable	Mean	Standard Deviation
Entrepreneurial Intention	4.10	0.75
Attitude Towards Entrepreneurship	4.32	0.68
Entrepreneurial knowledge	3.45	0.88
Perceived Capacity	4.15	0.73

The descriptive statistics for the key variables in this study reveal that the mean score for Entrepreneurial Intention was 4.10, with a standard deviation of 0.75, indicating a generally high level of entrepreneurial intent among the respondents. Attitude Towards Entrepreneurship had the highest mean of 4.32 with a standard deviation of 0.68, suggesting a strong positive attitude toward entrepreneurship among students. Entrepreneurial knowledge had a lower mean score of 3.45 and a relatively higher variability with a standard deviation of 0.88, indicating moderate influence of product development, and risk assessment. Perceived capacity showed a mean of 4.15 and a standard deviation of 0.73, reflecting a strong sense of self-efficacy and control over entrepreneurial actions.

Measurement Model Evaluation

Before testing the structural model, the reliability and validity of the constructs were evaluated using Partial Least Squares Structural Equation Modelling (PLS-SEM). The evaluation involved assessing the internal consistency reliability, convergent validity, and discriminant validity of the measurement model.

Internal Consistency Reliability

Internal consistency was assessed using Composite Reliability (CR). A CR value above 0.7 indicates acceptable reliability. The results are shown below:

Construct	Composite Reliability (CR)
Entrepreneurial Intention	0.85
Attitude Towards Entrepreneurship	0.88
Entrepreneurial knowledge	0.81
Perceived capacity	0.87

Convergent Validity

Average Variance Extracted (AVE) was used to assess convergent validity, where AVE values greater than 0.5 indicate acceptable validity.

Construct	Average Variance Extracted (AVE)
Entrepreneurial Intention	0.57
Attitude Towards Entrepreneurship	0.61
Entrepreneurial knowledge	0.54
Perceived capacity	0.59

The results show that all the constructs meet the criteria for reliability and validity.

Structural Model Evaluation and Hypothesis Testing

The structural model was evaluated to test the relationships between the independent variables (attitude towards entrepreneurship, entrepreneurial knowledge, and perceived capacity) and the dependent variable (entrepreneurial intention). Bootstrapping with 5,000 resamples was used to estimate the significance of the path coefficients.

Path Coefficients and Hypothesis Testing

The path coefficients, t-values, and p-values are presented below to test the study hypotheses.

Hypothesis	Path Coefficient	t-Value	p-Value	Decision
H01: Attitude towards entrepreneurship does not significantly affect entrepreneurial intention.	0.65	7.82	0.000	Reject H01 (Significant)
H02: Entrepreneurial knowledge do not significantly affect entrepreneurial intention.	0.15	1.45	0.148	Fail to Reject H02 (Not Significant)
H03: Perceived capacity does not moderate the relationship between attitude towards entrepreneurship and entrepreneurial intention.	0.28	3.02	0.003	Reject H03 (Significant)
H04: Perceived capacity does not moderate the relationship between entrepreneurial knowledge and entrepreneurial intention.	0.12	2.11	0.036	Reject H04 (Significant)

Interpretation of Results

- **Attitude Towards Entrepreneurship**: The results show a significant positive effect of attitude towards entrepreneurship on entrepreneurial intention ($\beta = 0.65$, $p < 0.001$). This implies that students with a more favorable attitude towards entrepreneurship are more likely to develop entrepreneurial intentions. Therefore, H01 is rejected.
- **Entrepreneurial knowledge**: The path coefficient for entrepreneurial knowledge and entrepreneurial intention is not statistically significant ($\beta = 0.15$, $p = 0.148$), indicating that entrepreneurial knowledge do not significantly influence entrepreneurial intention. Therefore, H02 is not rejected.
- **Perceived capacity as a Moderator**: Perceived capacity significantly moderates the relationship between attitude towards entrepreneurship and entrepreneurial intention ($\beta = 0.28$, $p = 0.003$), as well as the relationship between entrepreneurial knowledge and entrepreneurial intention ($\beta = 0.12$, $p = 0.036$). This suggests that higher levels of perceived capacity strengthen the influence of attitude and knowledge on entrepreneurial intention.

Discussion of Findings

- **Attitude Towards Entrepreneurship** has a strong positive influence on entrepreneurial intention, supporting the Theory of Planned Behavior, which asserts that a positive attitude is a key predictor of intention.
- **Entrepreneurial knowledge** found to have no significant direct effect on entrepreneurial intention, which may suggest that product development, and risk assessment do not play a strong role in shaping students' entrepreneurial decisions in this context.
- **Perceived capacity** emerged as a significant moderator, reinforcing the idea that students' perceptions of their ability to control and succeed in entrepreneurial endeavors significantly influence the strength of their attitudes and entrepreneurial knowledge in shaping their intentions.

Conclusion and Recommendations

Conclusion

The results of this study provide insights into the factors influencing entrepreneurial intention among university students in Nigeria. While attitude towards entrepreneurship plays a significant role, entrepreneurial knowledge appears less influential. Perceived capacity, however, plays a crucial moderating role in determining entrepreneurial intention. These findings underscore the importance of fostering positive attitudes and enhancing students' perceived capabilities to encourage entrepreneurial activity among graduates.

Recommendations

To enhance entrepreneurial intentions among university students in Nigeria, universities should prioritize entrepreneurial education and training. Integrating practical entrepreneurship courses across various disciplines, organizing workshops, and establishing business incubation centers can help students develop positive attitudes towards entrepreneurship. Additionally, mentorship programs that connect students with successful entrepreneurs, as well as access to startup funding, can improve students' perceived capacity, boosting their confidence to venture into business. Training on risk management and business planning would further equip students with the skills necessary to navigate entrepreneurial challenges effectively.

Furthermore, creating a supportive social and cultural environment is essential for fostering entrepreneurial intent. Universities should engage students' families and communities in entrepreneurship initiatives to help create an encouraging environment. Collaboration with the private sector and government agencies can also provide students with access to internship opportunities and essential resources. Recognizing and celebrating student entrepreneurs can establish role models who inspire others to pursue entrepreneurial ventures. By addressing these factors, universities can nurture a robust entrepreneurial mindset among graduates, helping to tackle unemployment and contribute to Nigeria's economic growth.

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FINANCIAL LITERACY AND FINANCIAL INCLUSION FOR ENTREPRENEURSHIP SUCCESS IN NIGERIA

[1]Umar Mustapha Kachalla Ph. D & [2]Yusuf Adamu Gambo

[1]Department of Business Administration, Federal University Gashua Yobe State, Nigeria
[2]Department of Economic, Federal University Gashua Yobe State, Nigeria
[1]kachallaumar19@gmail.com, [2]gamboyusuf@gmail.com

Abstract

The primary issue addressed in this study is the vital connection between financial literacy, financial inclusion, and entrepreneurial success in Nigeria. This research underscores the importance of financial knowledge in the effective management and growth of small businesses. Primary data was collected through a readily administered questionnaire, surveying a diverse sample of 385 entrepreneurs to assess their financial literacy levels and corresponding business performance metrics, including profitability, revenue growth, and sustainability. Data analysis was performed using STATA 14, facilitating a thorough statistical evaluation of the relationships between variables. The findings reveal a significant positive correlation between financial literacy and entrepreneurial success, with a Prob > chi2 value of 0.0000, indicating that both financial literacy and financial inclusion have a substantial impact on the growth and development of entrepreneurship in Nigeria. Key issues identified include the widespread lack of financial education, limited access to financial services, and socio-economic barriers that disproportionately affect entrepreneurs, particularly women and marginalized groups. Qualitative interviews further highlight the challenges faced by individuals with low financial literacy, emphasizing the urgent need for targeted educational programs. This research contributes to the understanding of how enhancing financial literacy can promote entrepreneurial success and advocates for comprehensive financial education initiatives to support emerging entrepreneurs in Nigeria.

Keyword: Decision-making, Entrepreneurial success, Financial Inclusion, Financial literacy, Small Business Management, Resource allocation

Introduction

In today’s dynamic and competitive business environment, entrepreneurial success is increasingly influenced not just by innovation and market insight, but also by the entrepreneur's financial acumen. Financial literacy, defined as the ability to understand and effectively use various financial skills including personal financial management, budgeting, and investing, plays a critical role in the survival and growth of entrepreneurial ventures (OECD, 2022).

Entrepreneurs often face complex financial decisions, from raising startup capital and managing cash flow to navigating tax obligations and assessing investment opportunities. Without adequate financial knowledge, these decisions can lead to mismanagement and, ultimately, business failure. Recent studies suggest a positive correlation between financial literacy and key entrepreneurial outcomes such as profitability, business sustainability, and growth (Lusardi & Mitchell, 2020;

Fatoki, 2021). Entrepreneurs with higher financial literacy are better equipped to develop realistic financial plans, avoid excessive debt, and make informed investment choices.

Moreover, with the rise of digital financial tools and financial technologies (FinTech), the need for financial competence has become even more pronounced. Financial literacy empowers entrepreneurs to leverage digital platforms effectively, access alternative funding sources like crowdfunding, and make data-driven financial decisions (OECD-INFE, 2023). Despite its importance, financial literacy remains unevenly distributed, particularly in developing economies and among underrepresented groups such as women and youth entrepreneurs. This disparity has prompted governments, NGOs, and educational institutions to increase efforts in financial education and capacity-building initiatives targeted at entrepreneurs (World Bank, 2023). Therefore, understanding the effect of financial literacy and financial inclusion on entrepreneurial success is essential not only for academic inquiry but also for the design of effective policies and support programs that foster inclusive and sustainable entrepreneurship.

Entrepreneurship is widely recognized as a key driver of economic growth, innovation, and job creation. However, a significant proportion of new ventures fail within the first few years of operation, with poor financial management and decision-making often cited as leading causes (Fatoki, 2021). While access to capital, market conditions, and regulatory environments are commonly investigated, the role of financial literacy—the knowledge and skills needed to manage financial resources effectively—has received comparatively less empirical attention, especially in the context of small and medium enterprises (SMEs) and startups.

Many entrepreneurs, particularly in developing countries and among marginalized groups, start their businesses without adequate financial knowledge. This gap can lead to mismanagement of funds, inability to assess financial risks, poor investment decisions, and ultimately, business failure (OECD, 2022). The increasing complexity of financial products and the rise of digital financial services have further intensified the need for entrepreneurs to possess strong financial capabilities (OECD-INFE, 2023).

Despite growing global efforts to enhance financial education, there remains a lack of consensus on how financial literacy directly influences entrepreneurial outcomes, such as profitability, sustainability, and growth. Existing research is often fragmented, outdated, or context-specific, limiting its generalizability and practical applicability (Lusardi & Mitchell, 2020). This creates a pressing need for current, evidence-based studies that explore the relationship between financial literacy and entrepreneurial success across diverse contexts. Financial inclusion and entrepreneurial success is the accessibility of financial services for entrepreneurs, particularly in underserved communities, which hinders their ability to innovate and grow. Previous research, including studies by Iriobe et al., (2017), Ele (2023), and Odetayo et al., (2023), has limitations such as a narrow focus on either financial literacy or inclusion separately, limited sample diversity, insufficient qualitative insights, reliance on outdated data, and a lack of actionable policy recommendations. Addressing these gaps is crucial for a comprehensive understanding of how financial literacy and inclusion together impact entrepreneurial success in Nigeria.
Therefore, this study seeks to address the gap by investigating the impact of financial literacy on the success of entrepreneurs, with a focus on identifying the specific financial skills most strongly associated with positive business outcomes. The findings aim to inform policymakers, educators, and support organizations in designing targeted interventions that enhance entrepreneurial capacity and reduce venture failure rates.

Literature Review Theoretical Underpinning

Financial literacy is crucial for entrepreneurs as it equips them with the necessary skills to manage finances, make informed decisions, and navigate the complexities of running a business. Individuals with high financial literacy can develop essential risk management skills, identify business opportunities, and make better financial decisions, all of which are critical for venture creation and growth (Engström and McKelvie, 2017). Furthermore, financial literacy has been shown to positively influence household entrepreneurial behavior, enhancing income, social networks, and risk attitudes, which are vital for entrepreneurial success (Agyapong and Attram, 2019).

Definition of Financial Literacy

Financial literacy refers to the ability to understand and effectively use various financial skills, including personal finance management, budgeting, investing, and understanding financial statements. It encompasses the knowledge and skills needed to make informed financial decisions. Financial literacy is increasingly recognized as a form of human capital that significantly impacts entrepreneurial decision-making and motivation (Lusardi and Mitchell, 2014).

Key components and skills involved: Key components of financial literacy include:

1. Budgeting: The ability to create and manage a budget to track income and expenses.
2. Investing: Understanding different investment options and the risks associated with them.
3. Financial Planning: Setting financial goals and developing strategies to achieve them.
4. Understanding Financial Statements: The ability to read and interpret balance sheets, income statements, and cash flow statements.
5. Debt Management: Knowledge of how to manage and repay debts effectively. Enhanced financial literacy correlates with improved financial behaviors and economic outcomes, which are essential for successful entrepreneurship (Buchdadi, Sholeha, and Ahmad, 2020).

Relevant Theories Related to Financial Literacy and Entrepreneurship

1. **Human Capital Theory**: This theory posits that individuals' skills and knowledge contribute to their economic productivity. Financial literacy is considered a form of human capital that enhances entrepreneurs' ability to make informed financial decisions, ultimately leading to better business outcomes (Lusardi and Mitchell, 2014).
2. **Behavioral Finance Theory**: This theory examines how psychological factors influence financial decision-making. It suggests that financial literacy can mitigate biases and improve decision-making processes among entrepreneurs, leading to more rational and beneficial financial choices (Hilgert, Hogarth, and Beverly, 2003).
3. **Social Capital Theory**: This theory emphasizes the role of social networks and relationships in economic success. Financially literate entrepreneurs are often better positioned to leverage their networks for resources, advice, and support, which can enhance their business performance (Engström and McKelvie, 2017).

Models Explaining the Relationship between Financial Literacy and Business Success

The Financial Literacy and Business Performance Model: This model posits that higher levels of financial literacy lead to improved financial management practices, which in turn enhance business performance. Studies have shown that entrepreneurs with greater financial knowledge are more likely to engage in effective budgeting, investment, and risk management, resulting in better overall business outcomes (Agyapong and Attram, 2019).

The Financial Behavior Model: This model focuses on the relationship between financial literacy and financial behaviors. It suggests that financial literacy influences entrepreneurs' financial behaviors, such as saving, investing, and managing debt, which are critical for business sustainability and growth (Buchdadi, Sholeha, & Ahmad, 2020).

The Entrepreneurial Decision-Making Model: This model highlights the role of financial literacy in the decision-making processes of entrepreneurs. It posits that financially literate entrepreneurs are more capable of analyzing financial information, assessing risks, and making strategic decisions that contribute to business success (Dahmen and Rodríguez, 2014). These theories and models collectively illustrate the significant impact of financial literacy on entrepreneurial success, emphasizing the need for financial education and training for aspiring and existing entrepreneurs.

Financial Literacy and Entrepreneurial Decision-Making

How Financial Literacy Influences Decision-Making Processes

Financial literacy significantly impacts the decision-making processes of entrepreneurs by equipping them with the knowledge and skills necessary to make informed financial choices. Entrepreneurs with high financial literacy are better able to analyze financial statements, assess risks, and understand the implications of their financial decisions. This capability leads to more strategic planning and resource allocation, ultimately enhancing their ability to navigate challenges and seize opportunities in the market (Bachmann et al., 2024). Moreover, financially literate entrepreneurs are more likely to engage in effective budgeting and financial forecasting, which are critical for sustaining business operations and achieving long-term goals. They can also better evaluate funding options and investment opportunities, leading to more successful business ventures (Yoon, et al., 2022).

Case Studies or Examples of Financially Literate Entrepreneurs

Case Study of a Tech Startup: A recent study highlighted a tech entrepreneur who utilized financial literacy to secure venture capital funding. By presenting a well-structured financial plan and demonstrating an understanding of cash flow management, the entrepreneur successfully attracted investors, leading to significant business growth (Kim et al., 2023).

Women Entrepreneurs in Developing Economies: Research has shown that women entrepreneurs who possess financial literacy are more likely to succeed in their ventures. For instance, a program aimed at enhancing financial literacy among women in rural areas resulted in increased business profitability and sustainability, showcasing the direct impact of financial knowledge on entrepreneurial success (Haque & Zulfiqar, 2023).

Impact of Financial Literacy on Business Performance

Metrics for Measuring Entrepreneurial Success

To assess the impact of financial literacy on business performance, several metrics can be utilized, including:

- **Revenue Growth**: Tracking changes in revenue over time can indicate how financial literacy contributes to business expansion.
- **Profit Margins**: Analyzing profit margins helps determine the efficiency of financial management practices.
- **Return on Investment (ROI)**: Measuring ROI on various business initiatives can reveal the effectiveness of financial decision-making.
- **Cash Flow Management**: Monitoring cash flow patterns can provide insights into the financial health of the business.

Studies and Statistics Demonstrating the Correlation between Financial Literacy and Business Outcomes

Numerous studies have established a positive correlation between financial literacy and business performance. For example, a comprehensive analysis found that small and medium-sized enterprises (SMEs) led by financially literate owners reported higher profitability and growth rates compared to those with lower financial literacy levels (Buchdadi et al., 2020). Additionally, a survey conducted by the OECD revealed that entrepreneurs with higher financial literacy are more likely to engage in strategic financial planning, which correlates with improved business outcomes (OECD, 2023). Furthermore, a meta-analysis indicated that financial literacy is a significant predictor of entrepreneurial success, with financially literate entrepreneurs demonstrating better financial behaviors, such as effective budgeting and investment strategies, which contribute to overall business sustainability (Duflo, 2022).

Demographic Factors Influencing Financial Literacy

Demographic factors significantly influence financial literacy, which in turn affects entrepreneurial outcomes. Key demographic variables such as age, education, gender, and socio-economic status have been extensively studied to understand their impact on financial literacy levels.

Age

Research indicates that financial literacy tends to vary with age. Younger individuals often exhibit lower levels of financial literacy compared to older adults, who typically have more experience managing finances and making investment decisions. For instance, studies by Lusardi and Mitchell (2021) highlight that older adults generally have higher financial literacy due to accumulated life experiences and financial decision-making over time. This trend suggests that as individuals' age, they accumulate more financial knowledge, which can enhance their entrepreneurial success.

Education

Education is a critical determinant of financial literacy. Higher levels of education are generally associated with greater financial literacy. Individuals with advanced degrees often have better access to financial education resources and are more likely to engage in financial planning and investment activities. For example, a study by Goyal and Kumar (2023) found that educational attainment positively correlates with financial literacy levels, leading to improved entrepreneurial outcomes. Educated entrepreneurs are better equipped to navigate financial challenges and make informed business decisions.

Gender

Gender differences in financial literacy have been documented, with studies showing that men often score higher in financial literacy assessments compared to women. This disparity can affect entrepreneurial outcomes, as lower financial literacy among women may hinder their ability to start and grow businesses effectively. Research by Karakurum-Ozdemir et al., (2023) emphasizes that targeted financial education programs aimed at women can help bridge this gap and improve their entrepreneurial success. Addressing these gender disparities is crucial for fostering a more equitable entrepreneurial landscape.

Socio-Economic Factors

Socio-economic factors also play a crucial role in shaping financial literacy. Individuals from higher socio-economic backgrounds typically have better access to financial education and resources, leading to higher financial literacy levels. Conversely, those from lower socio-economic backgrounds may face barriers that limit their financial knowledge and entrepreneurial opportunities. According to a study by Damayanti et al., (2024), addressing these socio-economic disparities is essential for fostering financial literacy and supporting entrepreneurial success across diverse populations.

Financial Decision-Making in Entrepreneurship

Financial decision-making is a critical aspect of entrepreneurship, where the role of financial literacy significantly influences various areas such as budgeting, investment, and risk management. Additionally, financial knowledge impacts strategic business decisions, shaping the overall success of entrepreneurial ventures.

Role of Financial Literacy in Budgeting, Investment, and Risk Management

1. Budgeting: Financial literacy equips entrepreneurs with the skills necessary to create and manage budgets effectively. Understanding income, expenses, and cash flow allows entrepreneurs to allocate resources wisely, ensuring that they can meet operational needs while planning for future growth. Studies show that entrepreneurs with strong budgeting skills are more likely to maintain financial stability and achieve long-term success (Ahmed & Zulfiqar, 2023).
2. Investment: Knowledge of financial principles is crucial for making informed investment decisions. Entrepreneurs who understand concepts such as return on investment (ROI), risk assessment, and market analysis are better positioned to identify profitable opportunities. Research indicates that financial literacy directly correlates with the ability to make sound investment choices, which can lead to increased business profitability and sustainability (Burchi et al., 2021).
3. Risk Management: Financial literacy also plays a vital role in risk management. Entrepreneurs who are financially literate can better assess potential risks associated with their business decisions, including market fluctuations and credit risks. This understanding enables them to implement appropriate risk mitigation strategies, such as diversifying investments or securing adequate insurance coverage, ultimately protecting their business from unforeseen challenges (Guo et al., 2023).

Impact of Financial Knowledge on Strategic Business Decisions

Financial knowledge significantly influences strategic business decisions, including pricing strategies, market entry, and resource allocation. Entrepreneurs with a solid understanding of financial metrics can analyze their business performance more effectively and make data-driven decisions. For instance, financial literacy allows entrepreneurs to evaluate the financial implications of entering new markets or launching new products, ensuring that they align with overall business goals (Duarte et al., 2020).

Moreover, financial knowledge fosters better communication with stakeholders, including investors and financial institutions. Entrepreneurs who can articulate their financial strategies and projections are more likely to gain support and funding, which is essential for scaling their businesses (Gabriel et al., 2020).

Financial Literacy Programs and Their Impact

Financial literacy programs play a crucial role in enhancing the financial knowledge and skills of entrepreneurs, ultimately impacting their business performance. This overview discusses existing financial literacy programs for entrepreneurs and evaluates their effectiveness.

Overview of Existing Financial Literacy Programs for Entrepreneurs

1. **Program Types**: Financial literacy programs for entrepreneurs vary widely, including workshops, online courses, mentorship programs, and community-based initiatives. These programs often cover essential topics such as budgeting, financial planning, investment strategies, and risk management (Agasisti et al., 2022).
2. **Target Audience**: Many programs are designed specifically for small and medium-sized enterprises (SMEs) and micro-entrepreneurs, recognizing the unique challenges these groups face in accessing financial education and resources. For instance, programs may focus on underserved populations or specific industries to tailor content to their needs (Duarte et al., 2022).
3. **Delivery Methods**: Programs utilize various delivery methods, including in-person training sessions, webinars, and interactive online platforms. The integration of technology, such as mobile apps and online resources, has made financial education more accessible to entrepreneurs (Bae et al., 2022).

Evaluation of Program Effectiveness on Business Performance

1. **Impact on Financial Knowledge**: Studies have shown that participation in financial literacy programs significantly improves entrepreneurs' financial knowledge. This enhanced understanding enables better decision-making regarding budgeting, investment, and financial management, which are critical for business success (Amagir et al., 2020).
2. **Business Performance Metrics**: Evaluations of these programs often focus on key performance indicators such as revenue growth, profitability, and business sustainability. Research indicates that entrepreneurs who engage in financial literacy training tend to experience improved financial outcomes, including increased sales and better cash flow management (Dogra et al., 2023).
3. **Long-term Benefits**: Longitudinal studies suggest that the benefits of financial literacy programs extend beyond immediate financial gains. Entrepreneurs who receive financial education are more likely to adopt sound financial practices, leading to sustained business growth and resilience in the face of economic challenges (García Mata et al., 2021).

4. **Challenges and Limitations**: Despite the positive impacts, some evaluations highlight challenges in measuring the long-term effectiveness of financial literacy programs. Factors such as participant engagement, program design, and external economic conditions can influence outcomes, making it essential to consider these variables in assessments (Garg & Singh, 2018).

Empirical Review

Hussain et al., (2018) conducted a study aimed at investigating the relationship between financial literacy and the success of small businesses owned by women. Utilizing a quantitative approach, the researchers distributed surveys to women entrepreneurs to assess their levels of financial literacy and corresponding business performance. The findings revealed a positive correlation, indicating that higher financial knowledge leads to better financial decision-making and improved business outcomes. The authors recommend implementing targeted financial literacy programs to enhance business performance among women entrepreneurs. However, the study highlights a gap in understanding how financial literacy impacts different sectors of entrepreneurship.

Nguyen, et al., (2019) aimed to analyze the influence of financial literacy on the entrepreneurial intentions of university students. This research employed a mixed-methods approach, combining surveys and interviews to evaluate students' financial literacy and entrepreneurial aspirations. The findings indicated that students with higher financial literacy were more likely to express intentions to start their own businesses. The authors suggest integrating financial literacy education into university curricula to foster entrepreneurial intentions. A notable gap identified is the lack of longitudinal research to track how financial literacy affects entrepreneurial success over time.

In a study by Hussain and Salia (2018), the authors explored the impact of financial literacy on access to finance for small and medium enterprises (SMEs). The researchers conducted a survey of SME owners to assess their financial literacy levels and experiences in accessing finance. The study found that higher financial literacy significantly improves access to financing options, as literate entrepreneurs are better equipped to prepare business plans and engage with financial institutions. The authors recommend that financial institutions provide tailored financial literacy programs to help entrepreneurs navigate funding opportunities effectively. The study highlights a gap in understanding the specific financial literacy skills that are most beneficial for accessing different types of financing.

Yang et al., (2018) examined the relationship between financial literacy and the overall performance of small businesses. Through quantitative analysis, the researchers utilized datfrom small business owners to measure financial literacy and business performance metrics. The findings revealed that financial literacy is a critical determinant of business performance, with literate entrepreneurs achieving higher profitability and growth rates. The authors recommend developing comprehensive financial literacy training programs for entrepreneurs to enhance their business acumen. A gap identified in this study is the need to explore the impact of cultural factors on financial literacy and business performance.

Pruett, and Ricks (2020) conducted a study aimed at assessing the influence of financial literacy on the growth trajectories of small businesses. This longitudinal study tracked small business owners over three years, measuring their financial literacy levels and corresponding business growth metrics. The findings indicated that entrepreneurs with higher financial literacy experienced more significant business growth and were better prepared to navigate financial challenges. The authors recommend the creation of ongoing financial education programs that adapt to the various growth stages of small businesses. However, the study highlights a gap in understanding how financial literacy impacts specific industries differently.

Abor, and Quartey (2021) explored how financial literacy contributes to the resilience of entrepreneurs during economic hardships. Utilizing qualitative interviews with entrepreneurs who successfully navigated economic downturns, the researchers assessed their financial literacy and resilience strategies. The study found that entrepreneurs with strong financial literacy demonstrated greater resilience, using their knowledge to make informed decisions during crises. The authors suggest integrating financial literacy training into resilience-building programs for entrepreneurs. A notable gap identified is the lack of quantitative measures linking resilience to financial literacy.

Chatterjee and Das (2021) aimed to determine whether financial literacy could predict the success of startups in emerging markets. The researchers conducted a survey among startup founders, measuring their financial literacy and various success indicators, such as revenue growth and sustainability. The results indicated a strong correlation between financial literacy and startup success, particularly in emerging markets. The authors recommend policies that promote financial literacy as a foundational skill for aspiring entrepreneurs. The study highlights a gap in understanding the barriers to financial literacy in different cultural contexts.

Kauffman, and Walstad (2022) analyzed how financial literacy impacts decision-making processes among entrepreneurs. Employing a mixed-methods approach, the researchers combined surveys and case studies to explore decision-making scenarios influenced by financial literacy. The findings revealed that financially literate entrepreneurs make more informed and strategic decisions, leading to better business outcomes. The authors recommend incorporating financial literacy training into entrepreneurial programs to enhance decision-making skills. A gap identified in the study is the need to examine the role of financial literacy in collaborative decision-making among entrepreneurs.

Eze and Nwankwo (2023) examined the impact of financial literacy on the entrepreneurial intentions of young adults. A survey was conducted among university students to assess their financial literacy levels and entrepreneurial intentions. The study found a significant positive relationship between financial literacy and the intention to start a business among youth. The authors recommend integrating financial literacy education into high school and university curricula to foster entrepreneurship. The study points out a gap in longitudinal studies tracking the long-term entrepreneurial outcomes of financially literate youth. This study reviews the essential roles of financial literacy and financial inclusion in promoting entrepreneurial success in Nigeria. It finds a significant positive relationship between financial literacy and business performance, emphasizing the need for entrepreneurs to have strong financial knowledge.

Additionally, improving financial inclusion for underserved groups, particularly women and marginalized populations, is crucial for overcoming access barriers. The study advocates for targeted educational programs and comprehensive financial education initiatives to support emerging entrepreneurs. These efforts aim to create a more inclusive and dynamic entrepreneurial ecosystem, ultimately driving sustainable economic development in Nigeria.

Materials and Method

The study considers the population as infinite, including both registered and unregistered entrepreneurs in North East Nigeria. This approach provides a comprehensive view of the entrepreneurial landscape, capturing individuals who contribute to the economy but may not be formally documented. Research shows that including both segments is essential for assessing the impact of financial literacy and inclusion on business success. Salami and Numasawa (2014) emphasize the significance of understanding both formal and informal sectors, while Ikuemonisan et al., (2020) highlight the need to consider diverse entrepreneurial segments for a broader perspective.

By treating the population as infinite, the study aims to reflect the realities faced by entrepreneurs in the region, aiding the development of targeted policies to enhance financial literacy and inclusion. From this population, a sample size of 385 respondents was derived, calculated using the formula:

SS= (Z score) 2×standard deviation× (1−standard deviation
(Margin of error)^2

This sample was stratified across different states in North East Nigeria—namely Yobe, Borno, Gombe, Bauchi, and Adamawa. Questionnaires were then randomly distributed to entrepreneurs in these states. This research investigated the impact of financial literacy and financial inclusion on entrepreneurial success in Nigeria through a field survey of entrepreneurs in North East Nigeria. To gather data, the researchers created a structured questionnaire for the respondents.

Estimation Technique and Model Specification

The study employed a multivariate estimation approach to assess the effects of financial literacy and inclusion on entrepreneurial success in Nigeria. An ordered profit regression model was used for the analysis, utilizing STATA (14) as the analytical tool. This choice was made because both the dependent and independent variables are ordered within a multivariate latent structural framework. The model is specified as follows:

ENTC= f(FILT, FINC, SOBS, LCOB)

Where,

ENTC= Entrepreneurial Success
FILT= Financial literacy
FINC= Financial inclusion
SOBS= Size of business
LCOB= Location of business

Measuring the Variables

Dependent Variable

Entrepreneurial Success (ENC), the dependent variable, was assessed through various indicators including community employment generation, business valuation, corporate social responsibility, and utilization of professional services, business registration, number of business outlets or branches, and challenges faced by businesses. Responses to these indicators were coded as 1 for "yes" and 0 for "no”.

Independent Variables

The independent variables comprised ratings of financial literacy (FIL) and financial inclusion (FIN). Financial literacy was evaluated based on awareness of financial services available to small businesses, bookkeeping practices, financial education, and decision-making in finance, understanding of taxation, and setting financial goals. Financial inclusion was measured by the type of bank account held, access to finance and credit facilities, availability of e-payment options, proximity to banks, and access to insurance services. Responses to these aspects of financial literacy and inclusion were recorded using a 5-point Likert scale. Additionally, two control variables were included in the model: size of business (SOBS) and location of business (LOCB), which were also assessed using the 5-point Likert scale.

Results and Discussion

Table 1: Result of the profit model

Ordered profit regression — Number of obs = 362

LR chi2 (4) = 223.79

Prob > chi2 = 0.0000

Log likelihood = -479.24422 — Pseudo R2 = 0.1893

ENTC	Coef.	Std. Err.	Z	P>z	[95% Conf. Interval]	
FILT	.044	.025	1.780	0.045	-.093	.005
FINC						
SOBS	.030	.017	1.750	0.079	-.003	.063
LOCB						
	1.383	.123	11.280	0.000	1.142	1.623
	.965	.130	7.390	0.000	-1.221	-709

Source: Researchers' STATA (14) Output

From Table 1, the coefficient for financial literacy (FILT) is 0.044, indicating a positive correlation with entrepreneurial success. This suggests that an increase in financial education for business owners is likely to enhance their success in entrepreneurship. The relationship is statistically significant, with a p-value of 0.045. The results also indicate that financial inclusion (FINC) has a positive relationship with entrepreneurial success, reflected by a coefficient of 0.030. This implies that greater financial inclusion among business owners in Nigeria contributes to entrepreneurship development, a finding that aligns with Njoroge Yang, et al., (2018). This outcome was anticipated, as one of the key objectives of the government's financial inclusion policy framework is to foster growth in the business sector. However, this relationship is not statistically significant, with a p-value of 0.079, which is greater than 0.05.

The coefficient for the size of the business is 1.383, demonstrating a significant positive relationship between business size and entrepreneurial success. This indicates that larger businesses and increased activity contribute to the growth and development of entrepreneurship in Nigeria. Additionally, the location of a business (LOCB) also shows a positive relationship with entrepreneurial success, with a coefficient of 0.965. This suggests that a business's location significantly influences its success. The Prob > chi2 value of 0.0000 indicates that both financial literacy and financial inclusion collectively impact the growth and development of entrepreneurship in Nigeria.

Conclusion and Recommendation

Conclusion

The study explored the impact of financial literacy and financial inclusion on entrepreneurial success in Nigeria. The findings indicate that enhanced financial activities and education significantly affect entrepreneurial success. There is a positive correlation between the dependent and independent variables, suggesting that as financial literacy and inclusion improve among entrepreneurs, they contribute to the overall development of entrepreneurship and, consequently, the economy.

The research also highlighted the essential role of various financial policies implemented by the Nigerian government regarding financial inclusion and education in fostering entrepreneurship growth. Additionally, the study investigated how firm size and location influence the relationship between financial inclusion and literacy and entrepreneurial success, revealing a positive connection. The size and location of a business significantly affect its level of financial literacy, inclusion, and success.

Based on these findings, we recommend that the Nigerian government and business associations develop policies and programs aimed at enhancing financial education for entrepreneurs. Furthermore, efforts should be made to strengthen the financial inclusion policy framework to encourage more business owners to enhance their financial knowledge and skills. Finally, further research is needed to examine how entrepreneurs' financial literacy affects their access to credit facilities, which will deepen our understanding of its impact on entrepreneurial success.

The study highlights the critical need for policymakers in Nigeria to prioritize financial literacy and inclusion initiatives, particularly for underserved groups like women and rural entrepreneurs. By integrating financial education into curricula, improving access to tailored financial services, and fostering community engagement, stakeholders can empower entrepreneurs to make informed decisions and drive business success. Additionally, the findings suggest avenues for further research to identify and address specific barriers to financial inclusion, ultimately enhancing the entrepreneurial ecosystem in Nigeria.

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ENHANCING CUSTOMER LOYALTY THROUGH SERVICE QUALITY IN DEPOSIT MONEY BANKS IN ILORIN, KWARA STATE

[1]Bello Abdulganiyu Aremu & [2]Alakoso Ibrahim Kayode

[1]Department of Marketing, Kwara State Polytechnic, Ilorin
[2]Department of Business Administration and Management, Kwara State Polytechnic, Ilorin
[1]belloaremu.a@gmail.com, [2]kayalakoso@gmail.com
[1]08066075577, [2]08036102115

Abstract

Banks in Nigeria often face challenges in maintaining consistent service quality. Instances of delayed transactions processing, unresolved customer complaints, and inadequate communication during service interruptions undermine customers' trust and satisfaction. The objective of the study is to determine the relationship between service quality and customer loyalty in deposit money banks in Ilorin, Kwara state. The study adopts a descriptive survey research design. The target population of the study comprises of customers of deposit money banks in Ilorin, Kwara state. The study adopts a combination of stratified and convenience sampling techniques to ensure a representative and practical sample from deposit money banks in Ilorin, Kwara State. Data was collected from the primary source using a structured questionnaire as instrument. The questionnaire was subjected to a pilot test to ensure reliability and validity. 150 copies of the questionnaire were distributed across deposit money banks within Ilorin metropolis but only 119 well-completed copies of questionnaire were used for the study. The data collected was analysed using descriptive statistics and multiple regression analysis. The findings revealed that reliability, responsiveness, and empathy significantly enhance customer loyalty in deposit money banks in Ilorin, Kwara state. The study revealed that empathy was the strongest predictor, explaining 68.2% of the variation in customer loyalty ($R^2 = 0.682$, $\beta = 1.127$, $p = 0.006$). Reliability followed, accounting for 54.4% of the variance ($R^2 = 0.544$, $\beta = 0.789$, $p = 0.005$) while responsiveness contributed 40.3% to the variation ($R^2 = 0.403$, $\beta = 2.261$, $p < 0.001$). The study concluded that service quality is a vital catalyst for sustaining customer loyalty in deposit money banks. Therefore, by prioritising the service quality dimensions, banks can build long-lasting relationships with their customers, improving retention and advocacy.

Keywords: Customer Loyalty, Deposit Money Banks, Service Quality

Introduction

As the foundation for lending, savings, and financial transactions, the banking industry is a crucial sector of the economy. Service quality is now being emphasised more and more in the industry as a crucial performance differentiator. According to Harriet et al., (2024), service quality is simply the degree to which a bank's offerings meet or surpass the expectations of its clients. It is also essential for improving client retention, loyalty, and satisfaction (Hidayat et al., 2024). Customers are expecting higher levels of service that are not only efficient but also reliable and responsive as the banking industry becomes more competitive.

Customer loyalty is closely linked to three essential aspects of service quality: responsiveness, empathy, and reliability (Kim et al., 2024). The ability of a bank to consistently provide precise, trustworthy, and error-free services, guaranteeing that clients' needs are satisfied on schedule and in accordance with their promises, is referred to as reliability. Conversely, responsiveness refers to a bank's employees' readiness to assist clients as soon as possible, attend to their concerns, and provide effective and efficient solutions to problems. Furthermore, the capacity of bank employees to give clients considerate, tailored attention while acknowledging their unique wants and concerns is referred to as empathy. According to Rebiazina et al., (2023), these aspects of service quality are frequently regarded as essential to establishing trust and cultivating enduring connections with clients.

Like many other Nigerian cities, Deposit Money Banks in Ilorin, Kwara State, are under significant pressure to keep clients in the face of a growing number of rivals and quickly shifting consumer demands (Harriet et al., 2024). Banks are required to deliver seamless services in this dynamic and fiercely competitive environment, whether through digital channels, ATMs, or in-person at branches. However, a number of consumers have voiced their displeasure with problems such lengthy wait times, financial transaction errors, slow complaint resolution, and a lack of individualised attention from bank employees (Hidayat et al., 2024). These difficulties frequently cause a drop in client loyalty, which can ultimately lead to a loss of reputation and business.

For banks hoping to achieve sustainable growth, customer loyalty—also known as a customer's inclination to re-engage with a bank as a result of great service experiences—is crucial. This is merely due to the fact that devoted clients are more likely to have a higher lifetime value, generate favourable word-of-mouth, and be more understanding of sporadic service errors or shortcomings (Hidayat et al., 2024). On the other hand, unfaithful consumers are probably more likely to go to other banks, which hurts the bank's standing in the market (Kim et al., 2024). Thus, being aware of the impact of service quality, especially dependability. In order to create tactics that will support customer happiness and retention, responsiveness and empathy for client loyalty are crucial.

Maintaining consistent service quality is often difficult for banks, especially when it comes to responsiveness, empathy, and dependability. Customers' trust and satisfaction are weakened by instances of unresolved customer complaints, delayed transaction processing, and poor communication during service outages (Hidayate et al., 2024). These problems result in unhappy customers, attrition, and bad press, all of which can reduce banks' competitive edge (Kim et al., 2024). Even though a lot of study has been done on banking service quality, not much of it has particularly examined how customer loyalty is impacted by responsiveness, empathy, and dependability in the setting of Deposit Money Banks in Ilorin, Kwara State. In order to close this gap, this study looks at how these factors affect maintaining client loyalty.

This study intends to investigate the relationship between service quality in Deposit Money Banks in Ilorin, Kwara State, with an emphasis on customer loyalty, responsiveness, and empathy. The particular goals are: (i) to ascertain how client loyalty at Deposit Money Banks in Ilorin, Kwara State, is impacted by reliability. (ii) To investigate how customer loyalty in Deposit Money Banks in Ilorin, Kwara State, is impacted by responsiveness. (iii) To evaluate how empathy affects client loyalty in Ilorin, Kwara State's Deposit Money Banks.
This paper's remaining sections consist of a review of the literature covering conceptual, theoretical, and empirical viewpoints; the methodology used; the results' presentation and discussion; and, lastly, the conclusion and suggestions.

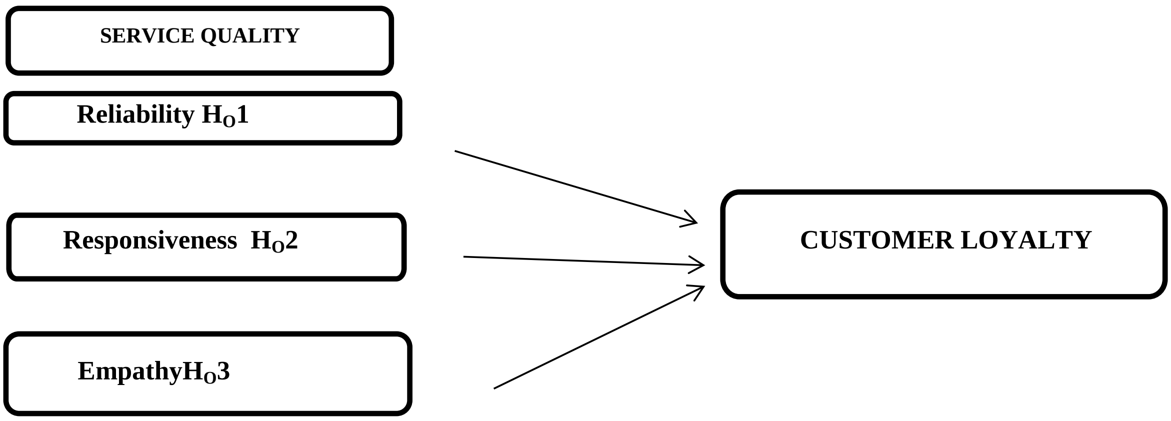
Literature Review

This section outlines the conceptual review which comprises of service quality and customer loyalty, theoretical review and empirical evidence that support the study.

Conceptual Review

The difference between customers' perceptions and their level of pleasure or dissatisfaction, which is influenced by their experiences throughout the purchase and use of a service, is what Uzir et al., (2021) define as service quality. Since services are intangible and can only be evaluated after being experienced, maintaining continuously high-quality service is essential for the service sector's growth, survival, and competitiveness (Rachbini, Anggraeni, & Febrina, 2020) (Darmayasa & Yasa, 2021). According to Moenardy et al., (2021), achieving and enhancing customer satisfaction is significantly impacted by providing exceptional customer service. People's emotional responses to an industry's goods or services have an impact on customer satisfaction, which can bolster competitive advantage (Uzir et al., 2021). According to Dewi et al., (2021), meeting customer expectations and attaining satisfaction in the banking industry requires strategic management of service quality.

Customer loyalty in the banking industry is greatly influenced by the quality of the services provided. Reliability, responsiveness, and empathy are essential components of the many models that have been created to evaluate the different aspects of service quality (Kimet al., 2024). In order to improve customer satisfaction and guarantee enduring customer loyalty in deposit money banks in Ilorin, Kwara State, this review attempts to identify and explain the significance of these characteristics.



Source: *Authors' Computation, 2024*

Reliability

The ability of a service provider to consistently supply promised services precisely and consistently is referred to as reliability (Chiguvi & Guruwo, 2017). In the banking industry, it means that banks are supposed to deliver services that meet client expectations in terms of precise transactions, prompt processing, and keeping their word. Because consumers want banking services to be error- and delay-free, reliability is regarded as the most important aspect of service quality (Kimet al., 2024). Customer retention depends on a bank's ability to earn and maintain the trust of its clients. Reliable services in banks have a direct impact on customer happiness, which in turn increases loyalty, according to recent research like Ramadhan and Fikriah (2024). Consistently dependable banks establish a solid reputation for reliability and obtain a competitive advantage.

Responsiveness: According to Hidayat, Rasyid, and Pasolo (2024), responsiveness is the capacity and willingness of the service provider to help clients and deliver timely service. Being responsive in the banking industry is answering consumer questions, resolving concerns or problems promptly, and being accessible when required. Customer perceptions of service quality are greatly influenced by responsiveness (Chiguvi & Guruwo, 2017). Customers in the banking sector appreciate timely and efficient solutions to their problems and wants. Trust and loyalty are increased by banks that provide prompt support during busy periods or when clients encounter problems like account inconsistencies or technical malfunctions. Additionally, responsiveness shows the bank's dedication to providing prompt customer service, which affects client satisfaction (Lin & Wang, 2021).

Empathy: Giving clients individualised attention and understanding is referred to as empathy in service quality (Hidayat, Rasyid, and Pasolo, 2024). It involves the bank employees' capacity to show concern and attention to customers' needs while also empathising with their problems (Ramadhan and Fikriah, 2024). The emotional bond between consumers and banks is greatly influenced by empathy. Clients are more likely to form close emotional ties with the bank and become more loyal if they feel appreciated and understood. Personalised interactions, like keeping track of client preferences and reacting thoughtfully, provide a feeling of community and client retention. Research indicates that providing empathetic service enhances customer satisfaction, especially in service-related sectors like banking where interpersonal communication is crucial (Ramadhan and Fikriah, 2024).

In the banking industry, responsiveness, empathy, and reliability are important factors that determine service quality. According to Hidayat et al., (2024), these factors are interconnected and have a major impact on client loyalty and satisfaction. Deposit money institutions in Kwara State can improve customer retention, stand out in a crowded market, and eventually maintain enduring client loyalty by concentrating on these factors.

The concept of customer loyalty is intricate and multidimensional, impacted by a number of variables. Reliability, perceived value, trust, customer connections, switching costs, customer happiness, brand image, and product or service quality are important factors (Hasan, 2018). Customer satisfaction, a powerful indicator of loyalty, is greatly increased when high-quality goods or services are delivered (Zeithaml et al., 2018). In addition to fostering emotional ties with consumers, a positive brand image increases trust. Reducing perceived transaction risks requires trust, especially in the digital age (Kumar & Reinartz, 2018). A company's long-term performance depends heavily on its ability to retain customers (Rachbini, Anggraeni, & Febrina, 2020). It is essential for keeping clients, especially in the banking industry. In a market with fierce competition over pricing tactics, service delivery methods, market segmentation, and product quality, loyalty helps businesses stay competitive (Nurninawati et al., 2023; Paramarta et al., 2021; Zainuddin et al., 2022).

Theoretical Review

The theoretical examination examines the core concepts and frameworks relevant to the study of service quality and its impact on the loyalty of deposit money institutions' clients. This review grounds the findings in established theoretical perspectives and emphasises on the elements of service quality (responsiveness, empathy, and reliability) and how they impact customer loyalty. The SERVQUAL model, developed by Parasuraman et al., in 1988, is among the most widely used frameworks for evaluating service quality. Among the five key components of service quality that the model identifies, this study emphasises responsiveness, empathy, and reliability. A thorough framework for understanding how these elements affect consumers' perceptions of loyalty and service quality is provided by the SERVQUAL model. Building and maintaining long-lasting relationships with customers is highly valued in the relationship marketing philosophy. Aspects of service quality like responsiveness and empathy are crucial for establishing customer satisfaction and trust, which are necessary for fostering client loyalty, according to Grönroos (1994).

Empathy, in particular, strengthens the emotional bonds that customers have with banks. The theoretical connection between customer loyalty and service quality is supported by several principles. The disconfirmation theory states that loyalty is impacted when real service performance differs from client expectations. Although consumers evaluate justice in service delivery, according to the equity theory, loyalty is promoted by trustworthy, accommodating, and responsive services that meet or beyond expectations. When customers feel valued and treated fairly, which is ensured by empathy and reaction, their loyalty is increased.

However, the conceptual framework employed in this study positions responsiveness, empathy, and dependability—qualities of high-quality services—as antecedents of customer loyalty. Reliability, responsiveness, and empathy are the three main service quality attributes chosen among the five SERVQUAL dimensions (which also include tangibles and assurance). This choice is backed by both theoretical and practical significance for the Nigerian banking sector. Reactivity, empathy, and reliability have a direct impact on customer perceptions and interactions with service providers in the banking industry, which is dominated by experience-based and non-physical services. In contrast, tangibles (such physical facilities and employee looks) have a somewhat smaller influence on determining long-term customer loyalty in a digital and service-driven banking environment. This methodology combines SERVQUAL and relationship marketing principles to analyse these dynamics in deposit money banks.

Empirical Review

With an emphasis on customer happiness as a mediator, Hidayatet al., (2024) examined how service quality might improve consumer satisfaction and loyalty in the e-commerce industry. They discovered that service quality had a major impact on customer happiness and loyalty after using Structural Equation Modelling (SEM) to evaluate data from 120 CV Cipta Buana Irian clients. The study found that customer happiness plays a crucial role in mediating the relationship between service quality and customer loyalty. This highlights how crucial it is for e-commerce companies to enhance service quality in order to promote consumer satisfaction and loyalty.

The study "The Influence of Service Quality and Price on Customer Loyalty with Customer Satisfaction as an Intervening Variable: A Study of Indomaret in Bandung Raya" was carried out by Rendiansyah and Hariyadi in 2024. With customer happiness serving as a mediating variable, the study sought to investigate the relationship between pricing and service quality and customer loyalty. Customers above the age of 17 who have made purchases at Indomaret in Bandung Raya made up the population. To choose 160 responders, a convenience sample method was employed. An online survey was used to gather primary data, and the Sobel calculator and multiple linear regression were used for data analysis. The findings demonstrated that, with regard to client loyalty, pricing and service quality (including tangibles, dependability, responsiveness, assurance, and empathy) were not mediated by customer satisfaction. However, the study found that consumer loyalty was significantly impacted by both pricing and service quality.

Harriet et al., (2024) investigated the connection between customer retention, customer loyalty, and service quality in Mbarara City's private healthcare system. The purpose of the study was to look into how customer loyalty and retention are affected by service quality, and how retention is influenced by loyalty. 36 operational primary healthcare facilities and their clients participated in the cross-sectional study. Self-administered, closed-ended questionnaires were used to gather data, and SPSS (version 21) was used for analysis. The data was analysed using Ordinary Least Squares regression and Pearson correlation. Although there was no statistically significant correlation between service quality and retention, the results showed a strong positive association between customer loyalty and retention.

In the context of Indonesian ride-hailing services, Rachbiniet al., (2020) investigated the "Effect of Service Quality on Customer Loyalty through Satisfaction, Perceived Value, and Customer Engagement." The purpose of the study was to examine the relationship between service quality and customer involvement, perceived value, and satisfaction, as well as how these factors affect customer loyalty. A Google Forms online survey was used to gather information from 300 respondents who were chosen using purposive sampling. The data was analysed using LISREL software and structural equation modelling (SEM). The study discovered that perceived value, contentment, and customer involvement were all significantly impacted by service quality. Nevertheless, it came to the conclusion that the only factor that directly impacted customer loyalty was consumer interaction.

Materials and Method

The research design used in this study is a descriptive survey. Because it enables the collection of quantitative data for the purpose of analysing the relationship between customer loyalty and service quality, this design is suitable for the study. Clients of deposit money banks in Ilorin, Kwara State, make up the study's target group. These banks have sizable clientele in the city, guaranteeing a varied representation of clients who frequently use banking services. To guarantee a representative and useful sample from deposit money banks in Ilorin, Kwara State, this study combined convenience and stratified sampling approaches. Customer categories (individual, retail, corporate, and SME customers) are used to stratify the study's target demographic. This guarantees that the sample includes a proportionate representation of all pertinent population groupings. Because stratified sampling reduces selection bias and improves the generalizability of results across various banking industry strata, it is justified. Convenience sampling is utilised to choose readily available and interested study participants within each strata. This method guarantees that the sample represents a wide variety of customer experiences with service quality while enabling effective data collecting. Combining these approaches strikes a balance between practicality and representativeness, which supports the study's goal of examining how customer loyalty in deposit money institutions is impacted by service quality. The study used a structured questionnaire as the main tool for gathering data. To evaluate the questionnaire's validity and reliability, a pilot research with 20 participants was conducted. Internal consistency was evaluated using the Cronbach's Alpha coefficient, as indicated in table 3.1 below:

Table 3.1

Construct	**Number of Items**	**Cronbach's Alpha**
Reliability	4	0.81
Responsiveness	4	0.79
Empathy	4	0.84
Customer loyalty	5	0.86

Source: Authors' Computation, 2024

All values exceed the acceptable threshold of 0.70, indicating strong internal consistency of the scales. A total of 150 questionnaires were distributed. 123 were returned, representing an 82% response rate. After data cleaning, 119 valid responses were retained for analysis.150 copies of the questionnaire were distributed across deposit money banks' customers in Ilorin, Kwara State. Out of the distributed copies, 123 were returned, representing an 82% response rate. However, 3 of the returned questionnaires were not properly completed and were excluded from the analysis. Therefore, only 119 well-completed copies of questionnaire were used for the study, ensuring the reliability and validity of the findings. The data collected was analysed using descriptive statistics and multiple regression analysis, measures such as frequencies and percentages, summarizes respondents' demographic profiles. Similarly, Multiple Regression Analysis method examines the effect of the independent variables (reliability responsiveness and empathy) on the dependent variable (customer loyalty).

The study uses Ordinary Least Squares (OLS) regression to estimate the relationship between service quality dimensions and customer loyalty. The model specification is as follows:

$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \in$

Where Y = customer loyalty (Dependent Variable)

$x_1 =$ Reliability (Independent Variable)

$x_2 =$ Responsiveness (Independent Variable)

$x_3 =$ Empathy (Independent Variable)

β_0 = intercept (constant term)

$\beta_1, \beta_2, \beta_3 =$ coefficients of the independent variables

$\in$ = Error term

Customer Loyalty (Y)

Measurement: Customer loyalty will be assessed using indicators such as repeat patronage, willingness to recommend the bank to others, and emotional attachment to the bank. Responses will be gathered using a Likert scale (e.g., 1 = Strongly Disagree to 5 = Strongly Agree).

Scale: Composite score derived from survey items.

Reliability (X1)

Measurement: Indicators include consistency in service delivery, fulfilment of promises, and accuracy of transactions. Responses will be on a Likert scale.

Scale: Composite score derived from survey items.

Responsiveness (X2)

Measurement: Indicators include promptness in attending to customer needs, readiness to help, and quick resolution of issues. Responses will be on a Likert scale.

Scale: Composite score derived from survey items.

Empathy (X3)

Measurement: Indicators include individual attention given to customers, understanding of customer needs, and personalized services. Responses will be on a Likert scale.

Scale: Composite score derived from survey items.

Based on theoretical underpinnings and empirical evidence, the expected relationships between the independent variables and the dependent variable are:

Reliability (β_1): Positive ($\beta_1 > 0$) – reliable services are expected to enhance customer loyalty.

Responsiveness (β_2): Positive ($\beta_2 > 0$) – prompt and responsive services foster customer loyalty.

Empathy (β_3): Positive ($\beta_3 > 0$) – empathetic behaviour improves customer relationship and loyalty.

Results and Discussion

Test of Hypotheses

Hypothesis One: Reliability does not have a significant effect on customer loyalty in deposit money banks in Ilorin Kwara State.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.779[a]	.544	.530	3.15993

a. Predictors: (Constant), Reliability

Source: *Authors' Computation, 2024*

Table 2: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	631.693	1	105.282	10.544	.001[b]
	Residual	3764.409	118	9.985		
	Total	4396.102	119			

a. Dependent Variable: customer loyalty
b. Predictors: (Constant), Reliability

Source: *Authors' Computation, 2024*

Table 3: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	20.722	1.753		11.819	<.001
	Reliability	.789	.442	.113	1.785	.005

a. Dependent Variable:

Source: *Authors' Computation, 2024*

The regression analysis results (see Table 1) indicate a strong positive relationship between reliability and customer loyalty, with an R-value of 0.779. The R-Square value of 0.544 suggests that 54.4% of the variation in customer loyalty is explained by reliability. This means that reliability is a crucial predictor of customer loyalty in deposit money banks in Ilorin, Kwara State. The ANOVA results (see Table 2) further confirm the model's statistical significance, with an F-value of 10.544 and a p-value of 0.001, which is below the 0.05 threshold. These findings suggest that customers are more likely to remain loyal when they perceive their bank as reliable, reinforcing the importance of consistent service delivery and trustworthiness in the banking sector.

The coefficient analysis (see Table 3) provides additional evidence that reliability significantly impacts customer loyalty. The unstandardized coefficient (B = 0.789) indicates that a one-unit increase in reliability results in a 0.789 increase in customer loyalty. The p-value of 0.005, which is below 0.05, confirms the statistical significance of this relationship. Furthermore, the constant value of 20.722 suggests that even without the influence of reliability, customer loyalty remains at a baseline level. Given these results, the initial hypothesis that "reliability does not have a significant effect on customer loyalty" is rejected. Instead, the findings emphasize that reliability plays a key role in fostering customer loyalty, urging banks to focus on improving service dependability and customer trust.

Hypothesis Two: Responsiveness does not have a significant effect on customer loyalty in deposit money banks in Ilorin, Kwara State,

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.521[a]	.403	.389	6.00638

a. Predictors: (Constant), Responsiveness

Source: *Authors' Computation, 2024*

Table 5: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1577.804	1	262.967	7.289	<.001[b]
	Residual	13745.175	118	36.077		
	Total	15322.979	119			

a. Dependent Variable: customer loyalty
b. Predictors: (Constant), Responsiveness

Source: *Authors' Computation, 2024*

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.859	2.439		5.272	<.001
	Responsiveness	2.261	.558	.281	4.052	.000

a. Dependent Variable: customer loyalty

Source: *Authors' Computation, 2024*

The regression analysis results (see Table 4) show a moderate positive relationship between responsiveness and customer loyalty, with an R-value of 0.521. The R-Square value of 0.403 suggests that 40.3% of the variation in customer loyalty can be explained by responsiveness. This indicates that responsiveness plays a significant role in shaping customer loyalty in deposit money banks in Ilorin, Kwara State. The Adjusted R-Square value of 0.389 confirms the model's reliability in predicting customer loyalty outcomes. The standard error of the estimate (6.00638) suggests some degree of variability, but overall, the model provides valuable insights into how responsiveness influences customer loyalty.

The ANOVA results (see Table 5) further validate the statistical significance of the model, with an F-value of 7.289 and a p-value of < 0.001, which is well below the 0.05 threshold. This confirms that responsiveness significantly affects customer loyalty, leading to the rejection of the initial hypothesis that "responsiveness does not have a significant effect on customer loyalty." This finding implies that banks that are more responsive to customer needs, inquiries, and concerns can foster stronger customer loyalty. By improving their response time, customer support services, and overall engagement with clients, deposit money banks in Ilorin can enhance their customer retention and satisfaction levels.

Hypothesis Three: Empathy does not have a significant effect on customer loyalty in deposit money banks in Ilorin, Kwara State.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.831a	.682	.670	2.47308

a. Predictors: (Constant), Empathy

Source: *Authors' Computation, 2024*

Table 8: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	906.169	1	151.028	24.693	<.001[b]
	Residual	2311.893	118	6.116		
	Total	3218.062	119			

a. Dependent Variable: Customer Loyalty
b. Predictors: (Constant), Empathy

Source: *Authors' Computation, 2024*

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.944	1.176		12.703	<.001
	Empathy	1.127	.410	-.227	-2.751	.006

a. Dependent Variable: Customer Loyalty

Source: *Authors' Computation, 2024*

The regression analysis results (see Table 7) indicate a strong positive relationship between empathy and customer loyalty in deposit money banks in Ilorin, Kwara State, with an R-value of 0.831. The R-Square value of 0.682 suggests that 68.2% of the variation in customer loyalty is explained by empathy, demonstrating its crucial role in building customer relationships. The Adjusted R-Square value of 0.670 confirms the model's reliability in predicting customer loyalty. Additionally, the standard error of the estimate (2.47308) indicates that the model has a relatively low margin of error, further supporting its effectiveness.

The ANOVA results (see Table 8) further confirm the model's statistical significance, with an F-value of 24.693 and a p-value of < 0.001, which is well below the 0.05 threshold. This means that empathy has a significant effect on customer loyalty. The coefficient analysis (see Table 9) shows that a one-unit increase in empathy results in a 1.127 increase in customer loyalty. The p-value (0.006) confirms that this effect is statistically significant. Given these findings, the hypothesis that "empathy does not have a significant effect on customer loyalty" is rejected. These results suggest that banks that demonstrate understanding, personalized service, and genuine concern for their customers' needs can significantly improve customer loyalty, reinforcing the importance of empathy in banking service delivery.

Discussion of Findings

According to the Null Hypothesis One (HO1), customer loyalty at deposit money institutions in Ilorin, Kwara State, is not substantially impacted by reliability. The alternative hypothesis was accepted and the null hypothesis was rejected as a result of the study showing a positive and significant association between these two variables. This result suggests a strong correlation between client loyalty and dependability in the deposit money banks in Ilorin, Kwara State. This finding is supported by the R Square value of 0.524, which shows that reliability in these banks accounts for 52% of the variation in customer loyalty levels. This outcome is consistent with a study by Harriet et al., (2024) that highlighted how crucial it is for private healthcare management to prioritise service quality in order to increase client loyalty. They emphasised that improving the dependability of medical workers and the positive responsiveness of physicians and other staff would guarantee high-quality services, which would in turn promote client loyalty and satisfaction.

According to the second null hypothesis (HO2), customer loyalty at deposit money institutions in Ilorin, Kwara State, is not substantially impacted by responsiveness. The alternative hypothesis was accepted and the null hypothesis was rejected as a result of the analysis's finding of a positive and significant relationship between responsiveness and customer loyalty. This implies a strong correlation between client loyalty and responsiveness in the deposit money banks in Kwara State. This is supported by the R Square value of 0.554, which shows that these banks' responsiveness accounts for 55% of the variations in client loyalty. The results are consistent with those of Hidayatet al. (2024), who contended that customer satisfaction serves as a crucial mediator between service quality and customer satisfaction and loyalty. The survey emphasises that in order to increase customer satisfaction and loyalty, e-commerce companies must improve the quality of their services.

According to the third null hypothesis (HO3), client loyalty at deposit money institutions in Ilorin, Kwara State, is not substantially impacted by empathy. The alternative hypothesis was accepted and the null hypothesis was rejected as a consequence of the analysis showing a positive and substantial relationship between empathy and client loyalty. This implies that at the deposit money institutions of Ilorin, Kwara State, empathy is crucial in promoting client loyalty. This is corroborated by the R Square value of 0.559, which shows that empathy accounts for 56% of the variations in consumer loyalty. These results are in line with those of Harriet et al., (2024) and Rendiansyah and Hariyadi (2024), who discovered a strong link between customer loyalty and service excellence. The study's conclusions highlight the critical role that the qualities of service quality—responsiveness, empathy, and reliability—play in fostering client loyalty at deposit money banks located in Ilorin, Kwara State. To improve and maintain client loyalty and satisfaction, banks must give priority to these factors. To keep a competitive edge and create enduring relationships with customers, they should prioritise tactics like responsiveness (quickly attending to client needs), consistency in service delivery (reliability), and empathy (personalised service interactions).

Conclusion and Recommendations

Conclusion

The results of this study revealed that the three examined service quality dimensions (reliability, responsiveness, and empathy) have significant and positive effects on customer loyalty in deposit money banks in Ilorin, Kwara State. These findings proved that high service quality is essential for sustaining customer loyalty within the banking sector. However, based on these insights, the following recommendations were made to help deposit money banks improve customer retention and satisfaction:

1. Deposit money banks should ensure constant and reliable service delivery. This is done by minimizing errors in transactions, ensuring accuracy in records, and meeting promised service timelines. Investment in strong digital infrastructure, employee training, and quality control mechanisms will influence the reliability of banking services and foster customer trust and loyalty.
2. Banks should also improve their responsiveness by attending punctually to customer inquiries, complaints, and requests. This is done by establishing efficient communication channels such as real-time chatbots, responsive call centers, and well-trained customer service personnel that can reduce response time and enhance customer experience. Furthermore, the responsiveness entails proactively identification of customer needs and addressing them before they escalate into complaints.
3. Lastly, it is important for banks to display genuine care and understanding in all customer engagements. Bank staff should be trained to listen attentively, personalize services, and handle customer issues with compassion and patience. A customer-centric approach that values each individual will build stronger emotional connections with the banks and enhance loyalty.

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KNOWLEDGE AND UTILIZATION OF MANAGEMENT INFORMATION SYSTEM AMONG NON-ACADEMIC STAFF WITHIN THE UNIVERSITY SYSTEM IN OGUN STATE, NIGERIA

[1]OLATOYE, Adeolu O. Ph.D, [2]ALAKE, M. Ajibola Ph.D,
[3]OLUSOLA Temitope Abiodun & **[4]ADENUGBA Olubunmi Oluwakemi**

[1,3,4]Department of Entrepreneurship Education, College of Vocational and Technology Education, Tai Solarin University of Education, Ijagun, Ogun State.
[2]Department of Educational Management, Tai Solarin University of Education, Ijagun, Ogun State, Nigeria
[1]mosesajibola791@gmail.com
[1]+2347060674060

Abstract

This study investigated knowledge and utilization of management information system among non-academic staff within the university system in Ogun State, Nigeria. Two research hypotheses were tested for this study. The survey research design type was adopted for the investigation. A stratified sampling strategy was employed to choose a sample size of 360 non-teaching staff members from Tai Solarin University of Education and Olabisi Onabanjo University, Ago-Iwoye for this research. A self-structured research tool called the "Knowledge of Management Information System Questionnaire (KMISQ)" was utilized in the study. Pearson Product-Moment Correlation Coefficient (r) and t-test statistical tool were used to test hypotheses 1 and 2 respectively. Findings revealed a significant positive relationship between knowledge and utilization of MIS and the performance of male and female non-teaching staff ($r = 0.565$, $p < 0.05$), indicating that enhanced MIS competence contributes to better job performance. Additionally, a significant difference was found in MIS knowledge between senior and junior staff ($t = 2.690$, $p = 0.007$), with senior staff demonstrating higher levels of MIS knowledge. The study concludes that knowledge and effective utilization of Management Information Systems (MIS) play a crucial role in enhancing the performance of non-teaching staff in educational institutions. Based on these findings, the study recommends regular MIS training for all staff and targeted capacity-building programs for junior staff to bridge the digital knowledge gap.

Keywords: Knowledge, Management Information System, Non-Academic, Staff Performance, Utilization

Introduction

Modern organizations, particularly universities, have very demanding information needs. As a result, every institution must give careful consideration to the ways in which information is acquired, preserved, shared, and used. A number of variables, including growing organizational size, extending the scope of operations, competitive influence, and general environmental issues, have led to this situation. Organizations nowadays need to reduce uncertainty and promote faster, automated decision-making. The only way to address this issue is with an effective management information system.

According to Abdul and Fahad-Ul-Haq (2016), management information systems (MIS) are vital in today's business environment since they have evolved throughout time to become a vital part of corporate operations. Governments, people, and even corporations have been using management information systems more frequently in recent years. Because of the fierce competition in today's global marketplace, companies need to deploy management information systems in order to compete in the market, boost profitability, invest in product innovation, and grow their businesses. Together, these factors transformed information systems from data processing to decision support, which became the foundation of the new business.

To assist with a range of administrative duties, including personnel and resource allocation, financial management, reporting, assessment records, and attendance tracking, schools use management information systems, or MIS. With the information that MIS provides, managers may effectively and successfully run their businesses. Because they are designed to support and evaluate organizational operations and strategy, these systems differ from traditional information systems (O'Brien, 1999). According to Waston, Carroll, and Mann (1987), a management information system (MIS) is an organizational technique that offers historical, present, and projected data regarding internal operations and external intelligence. It enhances an organization's planning, control, and operation functions by giving decision makers rapid access to consistent information.

The information provided by this technology helps firms run themselves successfully and efficiently. Management information systems (MIS) are computer systems that are used to manage five primary components: people (individuals, groups, or organizations), procedures (design, development, and documentation), data (information for making decisions), and hardware. Management information systems differ from other kinds of information systems in that they are used for strategic and operational analysis and support. The study of how people, teams, and organizations assess, plan, execute, oversee, and use information-generating systems such as decision support, expert, and executive information systems to improve the efficacy and efficiency of decision-making is commonly referred to as management information systems, or MIS. Organizations see the successful implementation of Management Information Systems (MIS) as a means of thwarting competition through increased profitability, productivity, and information availability. Information is a shared asset that all businesses, regardless of their nature, possess because it is essential to the conception and development of new goods and services.

MIS is defined as "a management information system designed to match the structure, management task, instructional processes, and special needs of the school," as stated by Telem (1999). According to O'Brien (1999), MIS is "a term given to the discipline focused on the integration of computer systems with the goals and objectives of an organization. According to the criteria given above, MIS is a system that makes use of the data needed for decision-making at all organisational levels, including tactical, strategic, and operational. Its primary goal is to create and put into place routines, processes, and procedures that produce reports that are appropriately detailed and delivered in a timely, accurate, and consistent manner. A group of parts that cooperate to produce information is called an information system (IS). A system is an arrangement of parts that work together to achieve a common objective. People, data, processes, computer hardware, and software are all represented in this model of an information system (Kroenke, 2011). The following characteristics of high-quality information are listed by Turban and Volonino (2010):

- ✓ Accurate: To present accurate and comprehensive information.
- ✓ Timely: To generate with a single click in time for its intended usage.
- ✓ Relevant: To produce for both the subject and the situation.
- ✓ Sufficient: For the reason it was produced.

University administration and operations heavily rely on Management Information Systems (MIS). An outline of the application of MIS in academic contexts is provided below:

1. **Administrative Functions**: MIS are used to streamline various administrative processes within universities. This includes managing student records, admissions, registration, course scheduling, and academic advising. MIS help university administrators and staff handle these tasks efficiently, reducing manual effort and paperwork.
2. **Financial Management**: Universities utilize MIS for financial management, including budgeting, accounting, and procurement. These systems track revenue, expenses, grants, and other financial transactions. They also generate reports to assist in financial decision-making and compliance with regulatory requirements.
3. **Human Resources Management**: MIS are employed for managing human resources functions such as payroll, employee records, recruitment, performance evaluation, and training. These systems help ensure compliance with labour regulations, track employee benefits, and support workforce planning efforts.
4. **Research and Academic Support**: MIS support research activities by providing tools for grant management, research proposal submission, and tracking research outcomes. They also facilitate academic activities such as course management systems (e.g., Learning Management Systems), library management, and academic analytics for monitoring student progress and outcomes.
5. **Communication and Collaboration**: MIS facilitate communication and collaboration among university stakeholders. This includes email systems, internal messaging platforms, document sharing tools, and virtual meeting platforms. These systems help improve communication efficiency and facilitate teamwork among faculty, staff, and students.
6. **Decision Support Systems**: MIS provide decision-makers with access to timely and relevant information through decision support systems (DSS). These systems use data analytics and visualization tools to analyze university data and generate insights that support strategic planning, performance monitoring, and policy formulation.
7. **Information Security and Privacy**: With the increasing digitization of university processes and data, MIS also play a vital role in ensuring information security and privacy. These systems implement measures such as user authentication, data encryption, access controls, and regular security audits to protect sensitive university information from unauthorized access and data breaches.

Overall, Management Information Systems are integral to the efficient operation, management, and decision-making processes of universities. They help improve organizational effectiveness, enhance service delivery, and support the academic mission of institutions of higher education.

Management information systems aid in providing the information needed to make decisions effectively and efficiently insofar as timeliness, accuracy, and thoroughness of the information provided increase the efficiency of those decisions, which results in improved performance (Al Tai, 2005). The Management Information System shows that communication is necessary for both task management and integrating an organization with its environment. The communication link that a management information system offers enables the tasks and responsibilities associated with managers or management. This study sought to ascertain the effects of gender on the performance of non-academic staff members in the Ogun State, Nigeria, university system with regard to their comprehension and utilization of management information systems. This study looked into how gender affected non-academic staff members' performance in terms of their understanding and use of management information systems in Ogun State, Nigeria's public university system.

Hypotheses

The following statements of hypotheses were tested in this study at 0.05 level of significance;

H_{01}: There is no significant relationship between knowledge and utilization of MIS on the performance of male and female non-teaching staff.

H_{02}: There is no significant difference in knowledge of MIS between senior and junior non-teaching staff.

Materials and Method

The survey research design type was used in the investigation. The Tai Solarin University of Education's non-teaching personnel were assessed on their understanding of management information systems through the use of a quantitative technique in this study. The Tai Solarin University of Education, Ijagun's junior and senior non-teaching staff members made up the study's target population. A stratified sampling technique was adopted to choose a sample size of 360 non-teaching staff members from Tai Solarin University of Education and Olabisi Onabanjo University for the research. The gender-based stratification was in place. A self-created research tool called the "Knowledge of Management Information System Questionnaire (KMISQ)" was utilised for data collection. The research instrument comprised two sections A and B. Section A focused on demographic characteristics of the respondents while section B comprised items on MIS knowledge and staff performance. In order to ensure the reliability of the instrument, the researcher carried out a pilot test through the process of administration of the instrument on 20 non-teaching staff of Federal University of Agriculture, Abeokuta (FUNAAB) who were not part of the study sample. Following that, test-retest reliability was conducted over a two-week period using a Pearson Product Moment Correlation (PPMC) to ascertain the reliability coefficient. This yielded an instrument reliability coefficient of 0.93, indicating a strong positive relationship between the performance of university non-teaching staff and the level of knowledge acquired. Additionally, the instrument was deemed dependable and capable of obtaining the necessary data for the study, as indicated by the reliability coefficient of 0.93 for the KMISQ. Pearson Product-Moment Correlation Coefficient (r) and t-test statistical tools were used to test hypotheses 1 and 2 respectively.

Results and Discussion

H_{01}: There is no significant relationship between knowledge and utilization of MIS on the performance of male and female non-teaching staff.

Table 1: Testing for relationship between knowledge and utilization of management information system on the performance of male and female non-teaching staff

Variables	Mean	SD	df	r-value	p-value
Knowledge of management information system	17.7333	2.20433			
Utilization of management information system	17.3833	1.83064			
			3	.565	0.005

Source: Field Survey, 2024

The result presented in Table 1 shows a moderate positive correlation between knowledge and utilization of management information system (MIS) and the performance of male and female non-teaching staff. The correlation coefficient is r = 0.565, and the p-value is 0.005. Since the p-value (0.005) is less than 0.05, the relationship is statistically significant at the 5% level. This means that there is a significant relationship between non-teaching staff's knowledge and utilization of MIS and their performance, regardless of gender. There is a significant positive relationship between knowledge and utilization of management information system and the performance of male and female non-teaching staff. This suggests that higher levels of knowledge and effective use of MIS contribute positively to staff performance.

H_{02}: There is no significant difference in knowledge of MIS between senior and junior non-teaching staff

Table 2: Testing for difference in knowledge of management information system on the performance of senior and junior non-teaching staff.

Groups	N	Df	Mean	SD	t	P-value
Senior non-teaching staff	150	358	18.1000	1.02158	2.690	0.007
Junior non-teaching staff	210		17.4714	2.72708		

Source: Field Survey, 2024

The result from Table 2 shows that the mean score for knowledge of management information system (MIS) among senior non-teaching staff **is** 18.10 **w**ith **a** standard deviation (SD) of 1.02**,** while the mean score for junior non-teaching staff **is** 17.47 with a higher SD of 2.73**.** The t-test value is 2.690, and the associated p-value is 0.007**.** Since the p-value (0.007) is less than 0.05, this means the difference in knowledge of MIS between senior and junior non-teaching staff is statistically significant**.** Because $p < 0.05$, we reject the null hypothesis and accept the alternative hypothesis. This implies that there is a significant difference in the knowledge of management information systems between senior and junior non-teaching staff. Specifically, senior non-teaching staff have significantly higher knowledge of MIS than their junior counterparts. This suggests that seniority or rank may influence exposure to or training in MIS tools.

Discussion of Findings

Based on the research questions, the study findings revealed that higher numbers of non-teaching staff in TASUED and OOU have high level of knowledge of management information system. Management information system has help non-teaching staff in TASUED and OOU in planning, adequate retrieval of document, enhance analysis, and control of office information. It was also revealed that there was difference in knowledge of management information system on the performance of senior and junior non-teaching staff. There was difference in utilization of management information system on the performance of senior and junior non-teaching staff. It was observed that there was relationship between knowledge and utilization of management information system on the performance of male and female non-teaching staff. These findings correlate with Shah (2014) who concluded that MIS can provide administrators and teachers with the information required for informed planning, policy-making, and evaluation. MIS have changed school management in the areas of leadership, decision making, workload, human resource management, communication, responsibility, and planning.

The study findings further correlate with Abdulkareem, Fashiku and Akinnubi (2012) who revealed that Senior Staff in the Polytechnics in Kwara State made effective use of both traditional and electronic-based management information system. There was significant relationship between the use of MIS and Senior Staff Job Performance in the institutions. Ijeoma (2018) revealed that management information system has assisted in service delivery to a high extent. Information systems at the institution were not sufficiently adequate, according to Bright and Asare (2019). In the wider Irbid municipality, management information systems have a medium to high efficacy role, according to Aityassine (2017). Management information systems play a part in giving managers the information they need to make decisions, and they range in degree of convenience from moderate to high. The efficiency of managerial decision-making and the applications of management information systems are related. Managerial decision-making efficacy is impacted by the improvement of management information systems.

Conclusion and Recommendations

Conclusion

The study concludes that knowledge and effective utilization of Management Information Systems (MIS) play a crucial role in enhancing the performance of non-teaching staff in educational institutions. A significant positive relationship was established between MIS knowledge and utilization across gender lines, indicating that both male and female staff benefit equally from competence in MIS. Additionally, the study revealed a noticeable disparity in MIS knowledge between senior and junior non-teaching staff, with senior staff demonstrating a higher level of understanding. This highlights the need for deliberate and targeted capacity-building programs aimed at bridging this knowledge gap. To promote equitable performance and digital proficiency, educational institutions should implement continuous professional development and training opportunities in MIS for all non-teaching staff, regardless of rank or gender. Such initiatives would not only improve overall staff productivity and efficiency but also ensure that junior staff are adequately equipped to meet the digital demands of modern administrative tasks.

Recommendations

Based on the findings, it was recommended that;

1. Educational institutions should organize regular and structured training workshops on Management Information Systems (MIS) for all non-teaching staff. These programs should focus on improving both knowledge and practical utilization of MIS tools to enhance job performance, with equal participation encouraged for male and female staff.
2. To address the identified gap in MIS knowledge between senior and junior non-teaching staff, institutions should implement targeted mentoring and capacity-building initiatives specifically for junior staff. This could include peer learning, onboarding digital skills modules, and continuous support to ensure they are not left behind in technological proficiency.

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EXPLORING THEORETICAL PERSPECTIVES OF COOPERATIVE MOVEMENTS AND RURAL FINANCE DEVELOPMENT IN NIGERIA: POLICY IMPERATIVES FOR CREDIT GUARANTEE INTEGRATION AND CAPACITY BUILDING

[1]Oforbuike Francis NWACHUKWU PhD

[1]Department of Entrepreneurial Studies, Faculty of Management Sciences, National Open University of Nigeria, Jabi, Abuja, Nigeria.
[1]onwachukwu@noun.edu.ng
[1]08037782878

Abstract

This study explores the theoretical perspectives underpinning the role of cooperative movements in rural finance development in Nigeria. In rural communities with limited access to formal financial institutions, cooperative societies have emerged as viable alternatives for mobilizing local resources, enhancing financial inclusion, and promoting grassroots economic development. The study critically examines five key theoretical frameworks—Social Capital Theory, which highlights the role of trust and social networks in cooperative efficacy; Institutional Theory, which explains how regulatory and normative structures shape cooperative behaviour; Cooperative Development Theory, which focuses on the historical evolution and stages of cooperative growth; Financial Intermediation Theory, which underscores the role of cooperatives as financial intermediaries that mobilize savings and allocate credit; and Group Action Theory, which emphasizes the collective agency and solidarity required for successful cooperative outcomes. These frameworks collectively provide a robust conceptual lens for understanding how cooperatives function, create value, and contribute to rural finance. The study adopts a qualitative research methodology involving a systematic literature review and theoretical synthesis to analyze the interaction between cooperative principles and rural financial development. Data were drawn from academic journals, institutional reports, policy documents, and case studies relevant to the Nigerian context. The study concludes that cooperatives are essential instruments for rural financial empowerment, but their effectiveness depends on supportive institutional environments, robust member engagement, and targeted capacity development. Practical implications include the establishment of a national cooperative credit guarantee scheme, integration with formal financial systems, and the implementation of structured capacity-building programs to strengthen cooperative governance and sustainability in Nigeria.

Keywords: Capacity Building, Cooperative Movements, Credit Guarantee Integration, Exploring Theoretical Perspectives, Policy Imperatives

Introduction

Access to rural finance remains one of the most critical challenges confronting sustainable development in Nigeria. Despite numerous financial inclusion strategies by the Central Bank of Nigeria (CBN) and donor-supported microfinance schemes, a large portion of Nigeria's rural population remains financially excluded, with over 45% of adults in rural areas lacking access to formal credit and savings institutions (EFInA, 2022). Rural communities, dominated by smallholder farmers, micro-entrepreneurs, and low-income households, continue to face barriers such as high transaction costs, collateral requirements, limited financial literacy, and geographic isolation (Aterido, Beck & Iacovone, 2021).

In this context, cooperative societies have emerged as grassroots-based financial institutions that provide tailored financial services, including microcredit, savings mobilization, and informal insurance mechanisms. Their democratic governance, social capital orientation, and embeddedness in local contexts make them well-positioned to address structural gaps in rural finance systems (Birchall & Simmons, 2019). However, cooperative societies in Nigeria face severe constraints, including inadequate access to long-term credit, poor regulatory oversight, low managerial capacity, and exclusion from mainstream national financial programs (Olagunju & Obademi, 2020).

The conceptual gap this paper addresses lies in the limited integration of cooperatives into formal rural finance development frameworks, particularly in relation to national credit guarantee schemes and institutional capacity-building initiatives. While cooperatives are often mentioned in policy documents, there is insufficient scholarly engagement with how cooperative movements can be structurally embedded in Nigeria's evolving financial architecture. Current rural finance strategies largely prioritize microfinance banks, leaving cooperatives underutilized despite their wider reach and social embeddedness in rural communities (Obasi, 2022).

Additionally, scholarly discourse on rural finance in Nigeria often lacks a rigorous theoretical grounding in cooperative development theories and fails to link cooperative mechanisms with broader financial intermediation and social capital perspectives. There is also inadequate attention to actionable policy pathways, such as integrating cooperatives into credit guarantee schemes or institutionalizing capacity development via Central Bank of Nigeria (CBN), former Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) which is now Bank of Agriculture (BOA) or Bank of Industry for Cooperatives and Rural financing**.** This conceptual oversight undermines the transformative potential of cooperatives in driving inclusive rural finance and sustainable development.

Thus, this paper contributes to the literature by exploring the intersection of Cooperative Development Theory**,** Social Capital Theory**,** Institutional Theory, Financial Intermediation Theory and group action theory to propose concrete policy imperatives for empowering cooperatives. These include their inclusion in credit guarantee frameworks, systematic training programs, digitization of operations, and regulatory harmonization. The goal is to provide a theoretically robust and policy-relevant blueprint for enhancing the role of cooperatives in Nigeria's rural finance ecosystem.

Research Objectives

The main objective of this paper is to explore the theoretical foundations of cooperative movements and their role in rural finance development in Nigeria. Specifically, the study aims to:

1. Examine the theoretical foundations that link cooperative movements with rural finance development in Nigeria.
2. assess the extent to which cooperative societies in Nigeria are integrated into national credit guarantee schemes

3. Evaluate the role of institutional capacity-building initiatives in enhancing the financial performance and sustainability of cooperative societies.
4. Propose actionable policy frameworks for improving the involvement of cooperatives in Nigeria's formal rural finance ecosystem.

Research Questions

1. What theoretical perspectives explain the relationship between cooperative movements and rural finance development in Nigeria?
2. To what extent are cooperative societies currently integrated into Nigeria's national credit guarantee schemes?
3. How do capacity-building programs affect the financial viability and service delivery of cooperative societies in rural areas?
4. What policy imperatives can effectively enhance the participation of cooperatives in rural financial intermediation and guarantee frameworks?

Literature Review

Cooperative Development Theory

Cooperative Development Theory provides a foundational explanation for the emergence, evolution, and sustainability of cooperatives. It views cooperatives as voluntary, people-centered institutions formed in response to the socio-economic needs of their members (Laidlaw, 1974; Craig, 1993). The theory emphasizes internal factors such as member participation, leadership quality, and education—as well as external enablers like supportive policy, institutional frameworks, infrastructure, and access to markets.

In Nigeria, cooperative development is often driven by necessity rather than convenience. Communities establish cooperatives to improve access to agricultural inputs, credit facilities, consumer goods, and mutual support networks (Ihimodu, 2022). Government agencies and development partners also contribute by offering registration, training, and funding opportunities.

However, issues such as poor leadership, political interference, weak regulatory oversight, and low member education levels often constrain the growth and impact of cooperatives. The theory suggests that empowering members through continuous education, fostering democratic governance, and strengthening the enabling environment are vital for sustainable cooperative development in rural Nigeria.

Cooperative Movements and Rural Finance

Cooperative movements are voluntary associations of individuals who unite to meet their shared economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise (ICA, 1995). The cooperative model is founded on values such as self-help, self-responsibility, democracy, equality, equity, and solidarity. In developing economies like Nigeria, cooperatives have evolved into essential grassroots institutions, particularly in rural areas where public services and formal financial institutions are often limited or absent (Adeyeye & Balogun, 2020).

In Nigeria, cooperative societies serve multifunctional roles including mobilizing savings, extending microcredit, supporting agricultural financing, and promoting small-scale enterprise development. They also facilitate access to essential services such as food, healthcare, and housing (Nwankwo, Osho, & Aja, 2021). These societies are especially impactful in empowering vulnerable populations notably women and youth—by improving access to finance and productive assets (Chukwuemeka & Obi, 2023).

Cooperative Microcredit Performance

A 2022 survey of 35 multipurpose cooperative societies in Kaduna State revealed that microcredit disbursements increased by 46% between 2020 and 2022, leading to a 22% rise in rural microenterprise startups in the same period. Women accounted for 61% of the microloan beneficiaries, underscoring the gender-inclusive impact of cooperative finance (Kaduna State Cooperative Report, 2023).

Rural Finance

Rural finance refers to a range of financial services—credit, savings, insurance, and payment systems—tailored to the specific needs of rural populations, including farmers, traders, and small-scale entrepreneurs. It encompasses both formal institutions (e.g., microfinance banks, cooperative banks) and informal systems (e.g., rotating savings groups, moneylenders), each adapted to mitigate risks typical of rural economies, such as price volatility, seasonality, and geographic isolation (FAO, 2021).

Despite its importance, rural finance in Nigeria remains critically underdeveloped. According to the CBN Financial Access Survey (2022), only 32% of rural adults in Nigeria had access to formal financial services, compared to 67% in urban areas. High transaction costs, lack of collateral, and limited financial literacy further compound the challenge.

Cooperative Bank Credit Impact

Data from the Bank of Agriculture (BOA) indicates that ₦6.8 billion was disbursed to over 1,500 cooperative societies in Enugu and Benue States between 2020 and 2023. Approximately 72% of the loans were in agriculture and agribusiness sectors, resulting in increased yields and rural employment. Yet, loan recovery rates averaged only 68%, highlighting ongoing issues in loan monitoring and borrower capacity (BOA Performance Report, 2023).

Cooperatives help to bridge this financing gap due to their community-based orientation, trust mechanisms, and collective risk-sharing. These traits increase their capacity to deliver credit, savings, and insurance services more effectively in rural settings (Ume & Ugwu, 2020). Moreover, cooperatives serve as incubators for social capital by fostering trust, mutual support, and group bargaining power, all critical for enhancing the resilience of rural economies (Afolabi & Adedeji, 2021).

Challenges and Policy Needs

However, despite their promise, many cooperative societies struggle with poor governance, low financial literacy, lack of digital tools, and weak regulatory oversight (Okoli & Okoye, 2021). These constraints limit their scalability, sustainability, and ability to attract investment or qualify for national credit guarantees. Thus, to fully unlock the potential of cooperative movements in driving rural finance development, there is an urgent need for:

- Integration into structured credit guarantee schemes such as ACGSF and NIRSAL;
- Capacity-building programs led by institutions like the Central Bank of Nigeria (CBN) and Bank of Industry (BOI);
- Adoption of Fintech-enabled cooperative banking models to improve transparency, credit scoring, and service delivery.

Theoretical Framework

Cooperative Development Theory

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Cooperative Development Theory offers valuable insights into the foundational principles and sustainability mechanisms of cooperatives and it is not without its limitations. Critics argue that the theory tends to idealize the cooperative model by focusing on internal virtues like democratic governance, voluntary membership, and collective action, while underestimating the structural and contextual challenges that often hinder cooperative performance in developing economies (Okonkwo & Ibe, 2021; Oluyombo, 2010).

One key critique is the assumption of homogeneity among members. The theory posits that members share common socio-economic interests; however, in practice, Nigerian cooperatives often suffer from power asymmetries, elite capture, and internal factionalism (Nwachukwu & Ogbuka, 2021). These inequalities can lead to decision-making that favors a few, undermining democratic governance and participation. Moreover, over-reliance on member education and internal capacity may downplay the critical influence of macro-level economic and political dynamics. For instance, fluctuations in national economic policy, inflation, and weak infrastructure severely affect cooperative viability—factors the theory does not adequately address (Adebayo & Yusuf, 2021).

Another critique is that Cooperative Development Theory often neglects market forces and competition. While cooperatives are built on solidarity and mutual support, they still operate in competitive environments. Many Nigerian cooperatives struggle to survive due to poor business acumen, lack of innovation, and limited market linkage, all of which are not deeply explored within the traditional framework of the theory (Agbo & Nnamani, 2020).

Furthermore, critics point to the theory's insufficient attention to institutional bottlenecks. While it acknowledges the importance of supportive legal and policy frameworks, it often fails to engage deeply with the realities of weak regulatory oversight, bureaucratic delays, and corruption, which are prevalent issues in Nigeria’s cooperative sector (Olowu & Adebayo, 2022). In sum, although Cooperative Development Theory provides a solid normative framework, it requires supplementation with more pragmatic and context-specific models that address the political economy, power dynamics, and market realities facing cooperatives in rural Nigeria.

Social Capital Theory

Social Capital Theory focuses on the value of social networks, trust, and norms of reciprocity in enabling collective action and mutual benefit (Putnam, 1993). In the context of cooperative movements, social capital manifests through shared ownership, mutual obligations, and collective problem-solving. In rural Nigeria, where formal financial systems are limited, cooperative societies depend on trust and interpersonal relationships to facilitate microfinance services such as savings, credit, and loan recovery (Onuoha, 2012; Olayemi & Ogunlade, 2021). Trust among members enhances creditworthiness and loan discipline, while community ties serve as informal collateral.

However, unchecked reliance on social capital can lead to nepotism, exclusion of outsiders, and group polarization (Aghion & Morduch, 2005; Agbo & Nnamani, 2020). Therefore, inclusive practices and policies must complement the strengths of social capital to ensure equitable access and accountability. Social Capital Theory provides a compelling explanation for the success of cooperative societies in facilitating rural finance—particularly in environments where formal institutions are weak—several scholars have raised important critiques regarding its limitations and potential adverse effects.

First, scholars argue that social capital is not always inclusive or universally beneficial. In rural Nigeria, cooperative societies often rely on tight-knit social networks that can exclude marginalized individuals, such as women, youth, migrants, and the poorest community members (Olowu & Adebayo, 2022; Nwachukwu & Ogbuka, 2021). These groups may lack the necessary social ties or recognition within the group, leading to limited access to cooperative benefits, despite their financial need.

Second, social capital can reinforce inequality and perpetuate informal power structures. For instance, cooperative leaders may exploit their social status to allocate resources preferentially, enforce informal sanctions, or resist accountability (Ihimodu, 2022). This undermines the democratic ethos that cooperatives are meant to embody and erodes trust over time—a core tenet of the theory.

Another critique centers on the risk of groupthink and social rigidity. When Cooperative Societies overly depend on shared norms and trust, there can be resistance to innovation, external partnerships, or modern financial practices (Agbo & Nnamani, 2020). As a result, some cooperatives become insular and disconnected from broader market dynamics or technological advances that could enhance their performance and sustainability (Adebayo & Yusuf, 2021). Furthermore, social capital is difficult to measure and operationalize. While the theory emphasizes trust, reciprocity, and networks, these variables are inherently qualitative and context-specific, making it hard to develop uniform strategies for cooperative development across diverse rural regions (Okonkwo & Ibe, 2021).

Finally, social capital is not a substitute for formal institutions. Over-reliance on informal norms and relationships can weaken demand for regulatory reforms, professional capacity-building, or access to formal financial services (Olayemi & Ogunlade, 2021). Thus, scholars advocate a hybrid approach, where social capital is integrated with formal rules, financial literacy, and legal protections to maximize impact.

Institutional Theory

Institutional Theory, as articulated by North (1990) and Scott (2001), highlights the influence of both formal institutions (e.g., legal frameworks, regulatory systems) and informal institutions (e.g., customs, traditions) on economic behavior. This theory is particularly relevant in explaining how the institutional environment shapes the operation of cooperative societies. In Nigeria, formal institutions like the Nigerian Cooperative Societies Act provide a regulatory basis for cooperative governance, registration, and auditing. Informal institutions, such as community leadership structures and traditional values, significantly influence cooperative dynamics at the grassroots level (Olowu & Adebayo, 2022).

Nonetheless, the effectiveness of these institutions is often hindered by systemic weaknesses—such as regulatory lapses, corruption, lack of enforcement, and political interference—which reduce the performance and credibility of cooperatives (Oluyombo, 2010; Nwachukwu & Ogbuka, 2021). Institutional reform, therefore, is crucial for building a trustworthy and scalable cooperative finance ecosystem. Although Institutional Theory provides a robust framework for understanding how formal and informal rules shape cooperative behavior, several critiques have emerged regarding its limitations in explaining the complexity of cooperative movements in developing contexts such as Nigeria.

One key critique is that Institutional Theory tends to be overly deterministic, placing excessive emphasis on the power of institutions to shape behavior, while underestimating the agency of individuals and local actors (Adebayo & Yusuf, 2021). In rural Nigeria, cooperative success often depends more on the creativity, resilience, and leadership of local members than on existing institutional frameworks. This highlights a gap in the theory's ability to account for grassroots innovation and informal adaptation.

Another criticism lies in its broad and ambiguous categorization of institutions. The theory encompasses both formal and informal rules but often fails to provide clear mechanisms through which these institutions interact or evolve over time (Okonkwo & Ibe, 2021). This theoretical vagueness can make it difficult to apply the theory concretely in evaluating cooperative performance or designing policy interventions.

Moreover, Institutional Theory sometimes overlooks the dysfunctionality and contradictions within institutions. For instance, Nigeria's legal frameworks governing cooperatives are often outdated or poorly enforced, leading to conflicts between formal regulations and local practices (Nwachukwu & Ogbuka, 2021). In such cases, cooperatives must navigate conflicting norms without clear guidance, which the theory does not sufficiently address.

Furthermore, Institutional Theory may inadequately address the role of power dynamics and elite capture in institutional processes. In practice, cooperative societies are sometimes manipulated by local elites or political actors for personal gain, undermining their democratic foundations and financial transparency (Ihimodu, 2022). These issues are not always well-captured in the traditional institutional framework, which often assumes institutions are neutral and function to reduce uncertainty.

Lastly, critics argue that the theory does not adequately account for institutional change in dynamic environments. Rural finance and cooperative systems are influenced by rapid shifts in technology, migration, and economic shocks, yet Institutional Theory tends to portray institutions as slow-moving and resistant to change (Olowu & Adebayo, 2022). This limits its usefulness in designing flexible and adaptive policy strategies.

Financial Intermediation Theory

Financial Intermediation Theory (Gurley & Shaw, 1960; Diamond, 1984) explains how intermediaries, such as cooperatives and microfinance institutions, facilitate the flow of funds between savers and borrowers. These intermediaries help reduce transaction costs, resolve information asymmetries, and provide risk-sharing mechanisms. Cooperative societies in rural Nigeria act as financial intermediaries by mobilizing member savings and distributing loans for agricultural purposes, petty trade, and household needs (Eze & Ibekwe, 2007). Unlike commercial banks, cooperatives offer accessible and flexible financial services based on proximity, trust, and local knowledge. To improve their intermediary functions, cooperatives must adopt sound financial management systems, digitize operations, and receive continuous training and technical support (Nweze, 2001; Adebayo & Yusuf, 2021). Doing so will enhance their efficiency and outreach in rural finance delivery.

Financial Intermediation Theory provides a compelling framework for understanding how cooperatives serve as financial bridges between rural savers and borrowers, several critiques highlight its limitations, particularly in developing countries like Nigeria

One key critique is that the theory assumes a relatively stable institutional and financial environment, which is often not the case in rural Nigeria. Many cooperatives operate in contexts characterized by regulatory uncertainty, infrastructural deficits, and financial illiteracy, conditions that hinder the efficient functioning of intermediaries (Olayemi & Ogunlade, 2021). As such, the theory may overestimate the capacity of cooperatives to reduce transaction costs and manage risks without external support.

Secondly, Financial Intermediation Theory generally ignores the socio-cultural dimensions of rural finance. It views financial transactions largely through an economic lens—focusing on cost-efficiency and information asymmetry—without considering how traditional norms, trust, or communal values influence financial behavior in cooperative societies (Agbo & Nnamani, 2020).

In Nigeria, social ties often determine who receives loans and who repays them, beyond what the theory accounts for.

Additionally, the theory tends to emphasize the intermediary role of cooperatives in terms of financial capital, with less attention to the capacity limitations of these institutions. Many rural cooperatives lack the technical know-how, governance structures, or professional management needed to function effectively as intermediaries (Adebayo & Yusuf, 2021). This can result in loan default, poor record-keeping, and financial mismanagement, which the theory underplays. Another limitation is the idealized notion of trust and efficiency attributed to financial intermediaries. In reality, some cooperative leaders exploit their positions for personal gain, leading to corruption and internal fraud—risks that Financial Intermediation Theory does not fully incorporate into its framework (Ihimodu, 2022; Emecheta & Chukwuma, 2021).

Furthermore, Financial Intermediation Theory was developed in the context of well-structured formal financial systems, and its applicability to informal or semi-formal rural institutions like Nigerian cooperatives may be limited. It does not adequately account for institutional fragility, lack of oversight, or member disengagement, which are prevalent in rural cooperative systems (Olowu & Adebayo, 2022).

Therefore, while the theory is useful for understanding the potential role of cooperatives as financial intermediaries, it must be contextualized within the realities of rural Nigeria, and complemented with socio-institutional and governance-focused perspectives.

Group Action Theory

Group Action Theory (Olson, 1965) explores the dynamics of individuals cooperating to achieve collective goals that would be difficult or impossible through individual effort. The theory deals with issues like free-riding, collective decision-making, and enforcement of group norms. Cooperatives reflect this theory in practice, as they rely on collective savings, group responsibility for loan repayment, and shared management of resources (Okonkwo & Ibe, 2021). The ability to coordinate actions, enforce rules, and maintain member participation is crucial to achieving common financial and social goals.

However, collective action may be weakened by internal conflicts, leadership failure, or unequal power dynamics. Therefore, the success of cooperative finance in rural areas depends on effective governance, equitable member engagement, and institutional safeguards to mitigate conflict and mismanagement. Group Action Theory (Olson, 1965) provides a valuable lens for analysing collective behaviour in cooperative societies. It has several limitations, particularly when applied to the complexities of rural finance development in Nigeria.

A central critique lies in the free-rider problem, which Olson originally highlighted. In rural cooperatives, members may benefit from collective efforts (e.g., loan pools or government support) without contributing equally—financially or in participation. This tendency undermines trust, cohesion, and fairness in cooperative governance (Okonkwo & Ibe, 2021). The theory does not sufficiently address how to incentivize participation or penalize non-cooperative behavior in informal or weakly regulated environments.

Another limitation is the assumption of homogeneity among group members. Group Action Theory presumes that individuals within a cooperative share common goals and values. However, rural

Nigerian cooperatives often consist of diverse members with varying socio-economic backgrounds, interests, and power levels, leading to unequal participation and decision-making (Agbo & Nnamani, 2020). The theory does not adequately address intra-group conflicts or elite capture, where a few influential members dominate leadership roles and resource allocation.

Moreover, Group Action Theory tends to underplay the role of external constraints, such as poor infrastructure, regulatory bottlenecks, and political interference, which can undermine cooperative efforts regardless of internal coordination (Olowu & Adebayo, 2022). The theory focuses largely on internal group dynamics but offers little guidance on how cooperatives should navigate hostile or unsupportive external environments.

The theory also assumes rational actors motivated primarily by self-interest, yet cooperative success in rural areas often depends on social capital, cultural norms, and mutual trust, which are not always captured by a purely rationalist framework (Emecheta & Chukwuma, 2021). In this sense, Group Action Theory may not fully reflect the contextual realities of collective action in rural Nigerian settings.

Lastly, enforcing group norms and ensuring sustained participation is resource-intensive, requiring administrative capacity, leadership skills, and member education—all of which are frequently in short supply in rural cooperatives (Ihimodu, 2022). Without these enablers, cooperative efforts may collapse due to weak institutionalization of group accountability mechanisms. Therefore, while Group Action Theory is useful in understanding the logic behind collective effort in cooperatives, it needs to be supplemented with context-sensitive insights from social, institutional, and behavioural economics to fully explain cooperative performance in rural finance development.

Table1: Summary comparison table showing the key theories, their relevance, strengths, and limitations in the Nigerian rural context as discussed:

Theory	Relevance in Nigerian Rural Context	Strengths	Limitations
Cooperative Development Theory	Explains the formation and sustainability of cooperatives to meet socio-economic needs of rural Nigerians	Emphasizes internal member participation, leadership, and enabling environment for sustainability	Idealizes cooperative principles; overlooks power asymmetries, market competition, and weak regulatory systems
Social Capital Theory	Highlights the role of trust, norms, and networks in cooperative functionality and informal finance	Explains trust-based microfinance systems; emphasizes community ties as informal collateral	Can lead to nepotism, exclusion, and resistance to innovation; hard to measure and may reduce push for formal institutions
Institutional Theory	Examines how formal and informal institutions affect cooperative performance	Shows how laws, customs, and traditions influence cooperative success; useful for policy design	Overly deterministic; vague in mechanisms; neglects grassroots agency and elite capture; slow to adapt to rapid change
Financial Intermediation Theory	Describes how cooperatives act as intermediaries between savers and borrowers in rural areas	Highlights risk reduction, cost-efficiency, and access to finance through local knowledge and proximity	Ignores socio-cultural dynamics; assumes stable financial environments; underestimates governance and technical limitations of cooperatives

Cooperative Movements and Rural Finance Development in Nigeria

Cooperative societies have long been instrumental in promoting financial inclusion and rural development in Nigeria. These member-owned organizations facilitate access to credit, encourage savings, and support entrepreneurial activities, particularly in rural areas where formal financial institutions are scarce. Recent data indicates that cooperative societies in Nigeria have mobilized over ₦1.8 trillion in savings and disbursed approximately ₦1.3 trillion in loans to their members, underscoring their significant role in the nation's financial landscape (Omolaoye, 2024). With more than 30 million Nigerians participating in cooperative societies, these organizations have become vital platforms for economic empowerment and grassroots development (Atama, 2023).

Studies have shown that access to credit through cooperative societies positively impacts the financial performance of members. For instance, farmers with access to cooperative credit facilities report higher returns on investment and improved profit margins compared to those without such access. Moreover, financial literacy significantly predicts the effective utilization of these credit facilities, highlighting the importance of financial education alongside credit provision (Onah et al., 2024).

Cooperative societies also contribute to sustainable community development by addressing poverty and enhancing social cohesion. In Southwest Nigeria, cooperative societies have been found to significantly reduce poverty and promote community development through improved financial access and support for entrepreneurship (Nwachukwu et al., 2025). Similarly, in Anambra State, cooperatives provide low-interest loans and bulk purchasing options, thereby improving the welfare and economic stability of their members (Okoye & Nnaji, 2024).

Despite their contributions, cooperative societies face challenges such as inadequate funding, poor management, and lack of regulatory support. To enhance their effectiveness, recommendations include strengthening financial support through institutions like the Central Bank of Nigeria and the Bank of Industry, improving governance through regulatory frameworks, and building capacity among cooperative leaders (Nwachukwu et al., 2025). The Nigerian government recognizes the pivotal role of cooperative societies in economic development. Initiatives are underway to reform and revitalize the cooperative sector, aiming to align it with global best practices and enhance its contribution to the nation's socio-economic growth (Abdullahi, 2025).

Cooperative Movement and Rural Finance Development Programmes in Nigeria

In recent years, Nigeria has witnessed a resurgence in cooperative movements and the implementation of innovative rural finance programmes aimed at enhancing financial inclusion, boosting agricultural productivity, and fostering economic development in rural areas.

Federal Government Initiatives

The Federal Ministry of Agriculture and Food Security (FMAFS) has embarked on a comprehensive Cooperative Reform and Revamp Programme. This initiative aims to revitalize the cooperative sector by addressing challenges such as weak governance structures, outdated legal frameworks, and inadequate funding mechanisms. The reform emphasizes transparency, accountability, and inclusivity, aligning with the broader goal of positioning cooperatives as catalysts for socio-economic transformation in Nigeria (FMAFS, 2025).

Furthermore, the Cooperative Rating and Award Society of Nigeria (CRASoN) reported that cooperative societies have mobilized over ₦1.8 trillion in savings and disbursed approximately ₦1.3 trillion in loans to members. This underscores the significant role cooperatives play in financial intermediation and economic empowerment at the grassroots level (Omolaoye, 2024).

State-Level Initiatives

At the state level, Osun State has taken proactive steps to strengthen its cooperative sector. In January 2024, Governor Ademola Adeleke unveiled a Cooperative Movement Reform Plan, which included the allocation of ₦1 billion as a revolving loan scheme for cooperative societies. The initiative also involved the creation of the Ministry of Cooperatives and Empowerment, the first of its kind in Nigeria, dedicated to providing oversight and institutional support for cooperative activities (Osun State Government, 2024).

Similarly, Abia State has launched the Abia State Cooperatives Support Scheme, under which Governor Alex Otti disbursed ₦1 billion in interest-free revolving loans to over 9,000 beneficiaries across the 184 political wards of the state. This move aims to empower nano and micro-business operators and support local economic development (Abia State Government, 2024). In Ekiti State, Governor Biodun Oyebanji has pledged ₦1 billion to cooperative societies, with ₦500 million directly from the state government and another ₦500 million to be sourced from financial institutions. Additionally, the state is reviewing its cooperative laws to enhance transparency and improve governance structures (Coop News, 2024; Tribune Online, 2024a). In Cross River State, the government celebrated the 2024 International Day of Cooperatives with a reaffirmation of its support for cooperatives through the “Project Grow” initiative. This program focuses on engaging cooperatives to drive the state’s agricultural revolution and ensure food security (Epistle News, 2024).

Edo State has also reiterated its support for cooperative societies. During the 2024 International Day of Cooperatives, Deputy Governor Marvellous Godwins Omobayo assured cooperative stakeholders of the state’s continued support to ensure an enabling environment for growth and sustainability (Tribune Online, 2024b). In Ondo State, the government, through the Wealth Creation Agency (WECA), has rolled out the Profarmers & Agropreneurs Sustainable Scheme (P.A.S.S.), which equips young farmers with agricultural training and start-up capital. This is intended to boost local production, agribusiness, and employment (Ondo State WECA, 2024).

Lastly, Gombe State, through its Agency for Community and Social Development, has allocated ₦693 million to fund infrastructure and community projects across 77 rural communities. This underscores the state’s commitment to grassroots development and cooperative-based financial inclusion (Gombe State ACSDA, 2023). These state-level programs across Nigeria reflect a growing recognition of the critical role cooperative societies play in rural finance development, economic empowerment, and social inclusion.

Innovative Financing Models

The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) introduced the Agro Geo-Cooperative Financing Model to enhance farmers' access to credit and boost food production. This model clusters farmers into geo-cooperatives, facilitating better access to finance, inputs, and markets. The initiative also includes capacity development programs to improve farmers' productivity and sustainability within various agricultural value chains (Agro Nigeria, 2024).

Additionally, the Nigeria Farmers Group and Cooperative Society (NFGCS) launched the 'Agbatoken' initiative, a blockchain-based solution aimed at improving agricultural financing. This digital tokenization of farm assets seeks to provide transparent and sustainable financing options for farmers, thereby enhancing food security and economic stability in rural communities (Vanguard, 2024).

International Support and Collaborations

The International Fund for Agricultural Development (IFAD) has been instrumental in supporting rural finance development through the Rural Finance Institution-Building Programme (RUFIN). This programme focuses on strengthening microfinance institutions and establishing linkages between them and formal financial institutions across 12 Nigerian states. RUFIN particularly targets marginalized groups, including women and youth, to ensure inclusive access to financial services (IFAD, 2024).

Moreover, the World Bank approved $500 million in concessional financing for the Rural Access and Agricultural Marketing Project-Scale Up (RAAMP-SU). This project aims to improve rural road infrastructure, thereby enhancing access to agricultural markets and services for approximately four million rural residents. Improved infrastructure is expected to facilitate better financial inclusion and economic opportunities in rural areas (World Bank, 2024).

Materials and Method

This study employed a desk review research method, relying exclusively on secondary qualitative data. The methodology involved a comprehensive review and synthesis of relevant literature drawn from peer-reviewed journal articles, academic books, institutional reports, and credible online databases. The reviewed materials focused specifically on theories underpinning cooperative movements and rural finance development. The selection criteria for the literature included recency, relevance to the Nigerian and Sub-Saharan African context, and theoretical robustness. Thematic content analysis was utilized to identify recurring patterns, theoretical constructs, and empirical findings related to cooperative-based rural finance models.

This method was appropriate for the purpose of constructing a conceptual framework and drawing theoretical inferences without direct fieldwork. By triangulating insights across multiple theoretical perspectives—Human Capital Theory, Institutional Theory, Social Capital Theory, and Innovation Theory—the study establishes a comprehensive understanding of how cooperative mechanisms interact to influence rural finance development.

Results and Discussion

Findings indicate that Cooperative Development Theory is highly relevant in the Nigerian rural context, where cooperative societies have emerged as vital community-based platforms for financial access and entrepreneurial support. The theory emphasizes internal member participation, leadership, shared needs, and a democratic structure, which aligns with the practices seen in rural cooperative formations.

Empirical data supports this: over ₦1.8 trillion has been mobilized in savings and ₦1.3 trillion disbursed in loans, showcasing strong internal systems (Omolaoye, 2024). Moreover, state initiatives, such as Osun, Enugu and Abia States' revolving loan schemes, reinforce the principle of self-help and community ownership. However, the limitations of this theory are evident in cases of weak regulatory oversight, power asymmetries, and elite capture, which hamper sustainability and inclusiveness.

The study finds that Social Capital Theory effectively explains how trust, mutual norms, and community ties underpin the functionality of cooperative societies in rural areas. This is evident in regions like Anambra and Southwest Nigeria, where cooperatives reduce poverty and promote social cohesion through informal networks and group-based lending mechanisms.

However, this theory also has limitations in the Nigerian context. While social ties foster informal credit, they sometimes encourage nepotism, resistance to formalization, and exclusion of non-members or minority groups. Furthermore, it lacks robust mechanisms for conflict resolution and accountability, especially as cooperatives scale up. Despite these limitations, the evidence shows that trust-based systems remain a crucial backbone for cooperative credit access in the absence of collateral and formal banking structures, particularly benefiting women, farmers, and micro-entrepreneurs.

Institutional Theory provides a valuable lens for analyzing how formal (laws, policies) and informal (traditions, norms) institutions shape cooperative success in Nigeria. Findings reveal that cooperative movements thrive when supported by strong legal frameworks and institutional backing, such as the Ministry of Cooperatives and Empowerment in Osun State or the reform of cooperative laws in Ekiti State. However, the theory's deterministic orientation sometimes overlooks local agency and innovation. It assumes institutions evolve slowly, which may not reflect the rapid policy shifts seen in response to contemporary rural finance challenges. Moreover, elite capture and bureaucratic inefficiencies limit the effectiveness of institutional reforms.

Still, state-level policy innovations (e.g., the creation of ministries and provision of interest-free loans) demonstrate that institutional support plays a critical role in legitimizing and scaling cooperative finance systems. The findings confirm that cooperative societies in Nigeria effectively function as financial intermediaries, bridging the gap between savers and borrowers in rural communities. This aligns with the Financial Intermediation Theory, which underscores cooperatives' ability to reduce information asymmetry, lower transaction costs, and improve credit access.

The success of models such as NIRSAL's Agro Geo-Cooperative Financing Model and the digital innovation of 'Agbatoken' by NFGCS demonstrates how cooperatives can be integrated into modern financial ecosystems. These initiatives enhance transparency, traceability, and financial literacy.Nonetheless, the theory's assumption of a stable financial environment and strong governance structure does not always hold in the Nigerian context. Many cooperatives suffer from poor record-keeping, inadequate financial training, and governance issues. These shortcomings must be addressed through capacity building and policy-driven credit guarantee schemes to mitigate financial risks.

As the United Nations (UNCTAD, 2023) emphasizes, the goal of cooperative movement reform should not only be economic empowerment but also the development of a sustainable, inclusive, and participatory financial culture in rural areas. For Nigeria, this means moving beyond soloed

interventions to a holistic framework that integrates human development, institutional reform, innovation ecosystems, and social capital mobilization. Below are integrated theoretical approach backing applied for the study:

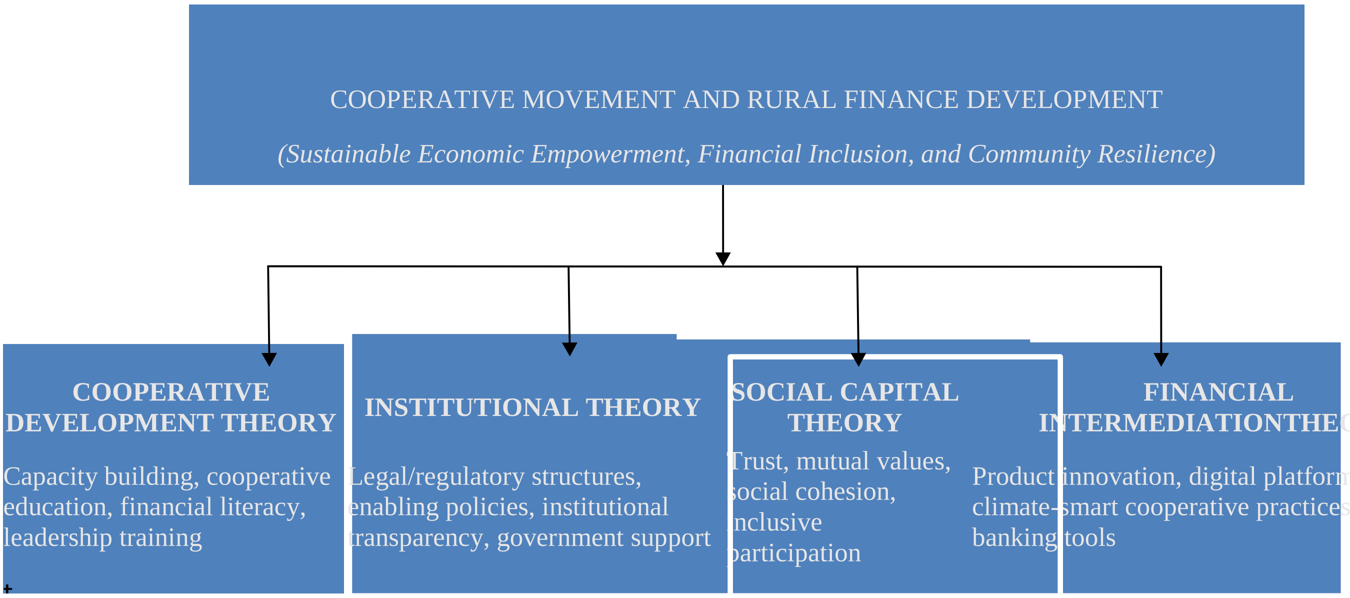

Figure1: Authors Integrated theoretical back up for Rural Finance Development

Conclusion and Recommendations

Conclusion

This study has examined the theoretical underpinnings that support the role of cooperative movements in the development of rural finance in Nigeria. Drawing from Social Capital Theory, Institutional Theory, Cooperative Development Theory, Financial Intermediation Theory and Group Action Theory, it is evident that cooperatives are more than just financial intermediaries; they are socio-economic institutions grounded in trust, mutual aid, and participatory governance. These theories collectively explain how cooperatives succeed in mobilizing local resources, enhancing financial inclusion, and contributing to rural development. In a nation like Nigeria, where a significant portion of the rural population remains unbanked or under banked, cooperative societies offer a viable solution to bridging the rural finance gap. Their structure enables community-based resource pooling, low-cost financial services, and strong social cohesion, all of which are essential for grassroots development. The theoretical perspectives explored also highlight the importance of institutional support, regulatory frameworks, and capacity building in sustaining the growth and impact of cooperative societies in rural finance.

Recommendations

Based on the findings of this study and in alignment with the formulated research objectives, the following recommendations are proposed to strengthen the role of cooperative movements in advancing rural finance development in Nigeria:

i. **Establish a National Cooperative Credit Guarantee Scheme** to enhance access to rural finance and mitigate the credit risks associated with lending to cooperatives and rural enterprises, it is recommended that a Cooperative Credit Guarantee Fund be launched under the supervision of the Central Bank of Nigeria. This scheme should be developed in collaboration with development finance institutions such as the Bank of Industry (BOI) and the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL). By de-risking cooperative lending, this initiative would encourage financial institutions to extend more credit to the rural sector and support the productive capacities of cooperative societies.

ii. **Institutionalize Capacity Building for Cooperative Leadership and Governance:** there is a critical need to strengthen the managerial and governance capacity of cooperative societies. A standardized national training program should be developed and institutionalized to train cooperative leaders and members in essential areas such as leadership, governance, financial management, and digital literacy. This intervention will address the prevalent leadership deficiencies and enhance the institutional performance and sustainability of cooperative organizations.

iii. **Leverage Social Capital to Promote Financial Inclusion and Trust** in order to deepen financial inclusion and improve the internal cohesion of cooperatives, community-based trust-building and financial literacy initiatives should be designed and implemented. These programs should leverage local social networks to foster transparency, encourage member participation, and improve accountability within cooperatives. Such initiatives are rooted in the principles of social capital theory, which emphasizes the value of trust, networks, and shared norms in economic collaboration.

iv. **Promote Digital Transformation of Cooperative Operations** to modernize cooperative practices and enhance operational efficiency, a national digital platform should be introduced to facilitate cooperative savings, credit tracking, member record management, and access to e-learning resources. This platform should be developed in partnership with fintech firms and the National Information Technology Development Agency (NITDA). The integration of digital tools will not only improve transparency and data management but also attract youth participation and support the long-term sustainability of cooperative finance.

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EFFECT OF OLD CARS IMPORTATION BUSINESSES (TOKUMBO CARS) ON ENVIRONMENTAL COST AND SAFETY IN NIGERIA

[1]Dr. Idris Yahaya Adamu

[1]Department of Business Administration, Faculty of Management Sciences,
Federal University of Kashere Gombe State
[1]idristumu@gmail.com
[1]08038859929

Abstract

During the period of economic depression in Nigeria, the purchasing power became low. Imported used vehicles became the norm because the costs of new ones were far above the income of most of the population. The paper examines environmental implication of the importation over a period of five years (2020-2024). Time series analysis was used to 10 determine the trend of pollution, forecast were also made for importation for 5 years. This paper also suggests a control mechanism. In order to address the severe lack of transportation facilities in most developing nations, most have turned to importing used cars, some of which are so dilapidated that they never serve any purpose before ending up in junkyards and refuse dumps. This paper aims to quantify the potential salvage value and cost of service materials from these imported used cars in Nigeria, where the majority of urban streets and construction sites are littered with junk cars that were abandoned by their owners. It is concluded that, such vehicle are harmful to environment and cost the country so much. It is also recommended that the used vehicles entering the country must pass an approved emission test to demonstrate that their emission control equipment is functioning as intended, Public and consumer awareness campaigns should be created on the havoc and financial implication of used vehicles on the environment.

Key Words: Cost-implication, Environmental-safety, Importation, Old-cars, Tokumbo

Introduction

Nigeria imports thousands vehicles each year. Some of these are not supposed to be allowed into the country, having passed the age of serviceability. Many of these vehicles pack up finally after a few years of service on Nigeria roads, Thereby, turning the country into a scrap yard. Worst still, in the absence of appropriate recycling facilities, these vehicles degrade our environment (Dosunmu, 2022). They pollute the air with harmful exhaust emissions caused by the wear of piston rings, valve seals, valve guides and cylinder bore (Egaspin et'al., 2022). The pollutants include: CO, CO2, NO2, SO2, Benzene, Chlorinated Organic Compounds, Ozonides and Peroxides. CO2 has greenhouse effects, NO 2 (oxidizes to HNO3) and SO2 (oxidizes to H2 SO4) which eventually fall as acid rain or mist or fog.

One consequence of globalization is the ease with which commodities and services can be transported in a short amount of time from areas of excess to areas of scarcity, from areas of low demand to areas of high demand, and from areas of rejection to areas of acceptance, with a bearable cost of transportation. Over 75% of Nigeria's mobility needs are met by the road transport system, which currently has at least 7 million registered vehicles on the roads, according to the Federal Road Safety Commission (Nnamdi, 2017).

However, given that a staggering number of these cars are deregistered or scrapped every day without proper paperwork, this may be questionable. Nonetheless, over 60,000 automobiles are brought into the nation each year, resulting in both metal and non-metal garbage when their useful life are coming to an end (Nnamdi M, 2017). As a result, Nigeria consumes a lot of cars but creates very few. However, the majority of Nigerians continue to choose old automobiles in a country with a per capita income of roughly $2,700 annually, undergoing the same kind of shift from subsistence earning to consumer spending that occurs in all of Africa's developing economies. According to a compilation of official sources by Export Trader, around 50,000 cars worth more than $2,000 a piece were shipped from the United States to Nigeria in 2008. Nigeria is home to a wide variety of "end-of-life vehicles" (ELV), which are discarded, abandoned, damaged, ruined, or worn-out automobiles that cannot be fixed and put back into use. They are useful as a source of scrap, discarded components, and other materials for repairs and recycling.

According to the Federal Road Safety Commission, Nigeria currently has at least 7 million registered vehicles operating on its roads, with the road transport system accounting for over 75% of the country's mobility needs (Nnamdi, 2017). This may be disputed because a staggering number of these vehicles are deregistered or scrapped on a daily basis without official documentation, but more than 60,000 vehicles are imported into the country annually. One of the implications of globalization is that, goods can be moved across borders, provided the goods are legally allowed and the buyers are in need. Moreover, developing countries has less options over purchase of used vehicles than new ones, due to staggering cost of new ones and exchange rate differentials.

According to a compilation of official sources by Export Trader, around 50,000 cars worth more than $2,000 a piece were shipped from the United States alone into Nigeria in 2008. According to Vadym Kozub, director of development for Export Trader, "Nigerians primarily import low-end, eight to ten-year-old vehicles valued below $5,000; flooded, damaged, and stolen cars are frequently imported" (Egaspin et al., 2022). Nigeria is home to a wide variety of "end-of-life vehicles" (ELV), which are discarded, abandoned, damaged, ruined, or worn-out automobiles that cannot be fixed and put back into use. They are useful as a source of scrap, discarded components, and other materials for repairs and recycling.

Statement of the Problem

Wastes are nothing more than resources that are misplaced, improperly used, or lose their specific value or purpose at a given point in time, but can still be used again with the right configuration (Agnese, 2016). This is in line with the circular economy hypothesis. The manufacturing sector has severely contaminated the environment while consuming all of the earth's resources and energy in the process of generating enormous wealth. Our country has been pushing to build an economy and a saving-oriented culture in order to advance as the sustainable development path, conserve resources, and enhance the environment. Recycling affects global warming and lowers pollution. Less carbon dioxide is released into the atmosphere and fewer fossil fuels are burned when energy demand declines.

Approximately 1.1 million people are employed by the more than 56,000 recycling and reuse facilities in the United States, which also generate $37 billion in wages and $236 billion in revenue annually, (Nnamdi, 2017). This is in accordance with U.S. Recycling Economic Information report, to prevent global warming and reduce CO_2 emission,. Globally, communities in developing nations are not fully utilizing recycling facilities.

Reducing, redesigning, reusing, refilling, regenerating, recycling, repairing, reclaiming, 6 refurbishing, restoring, recharging, remanufacturing, reselling, and deconstruction Reduces air, land, and water pollution and reduces landfill space. Recycling has been called the most successful environmental initiative in human history, and one of the components of zero waste, including composting, all offer prospects for economic growth and gainful employment. Designing with sustainability in mind guarantees that all expenses, including those related to the environment, are absorbed during the design phase.

Regarding the environment, research conducted at the Fraunhofer Institute in Stuttgart, Germany, revealed that the energy savings from remanufacturing globally in a single year is equivalent to 10,744,000 barrels of crude oil or the electricity produced by five nuclear power plants (Yusuf A, 2022). Two of the primary causes of greenhouse gas emissions, resource extraction and energy consumption, can be decreased by remanufacturing. Human society will always be in peace with environment when there is zero waste.

Research Objectives

Quantifying the potential materials of imported second hand cars is the primary goal of this paper. In many developing nations, littering and widespread losses of financial and other secondary resources are the unsustainable reality due to a lack of awareness and a malfunctioning infrastructure. Thus, it is no longer possible to wait for the growth of the iron and steel or ore mining industries before ferrous and non-ferrous components may be produced. Because discarded scrap automobiles may be repurposed into valuable resources, this struggle can be transformed into business opportunities for success.

Conceptual Framework

Trends of used importation vehicle: The neighbouring nations of Nigeria, Niger, Benin, Togo, and Ghana are the most significant in terms of used car exports to Europe. Nigeria, on the other hand, is a very important destination for used cars because of its big population and significance to West Africa's economy, but Niger and Benin are final destinations of little importance (Yusuf A, 2022). Nigerian automobile import figures are displayed in several scenarios. A car in use in Europe and the West typically lasts 12 to 15 years. Over a million automobiles and vans in the UK reached the end of their useful lives in 2020, either as a result of accidents or aging, with an average lifespan of 13.5 years.

According to overseas marketing information, India (OMI), over 60% of the 80,000 vehicles imported into the Benin Republic each year are reimported to Nigeria (Nnamdi M, 2017). This suggests that Nigeria has turned into a fertile ground for the dumping and disposal of end-of-life automobiles as regulations tighten in most developed countries of the world. For their part, transporters would prefer to purchase six used cars for, say, 30 million naira rather than one new car for the same amount, increasing commuter stress and proving to be an unreliable and uninsurable business venture.

Recycling End-of-life Vehicles: Toyota took on the issue of creating recycling technologies for end-of-life vehicles in order to replenish the stock of resources utilized in autos. The world's first mass production recycling plant was built in 1998 when Toyota and Toyota Metal Co., Ltd.

developed technology for recycling/recovering automotive shredder residue 5 (ASR) from ELVs. This plant can recycle around 15,000 ELVs per month. Electric furnace fuel was made from the separated resin elements (solid and fuel additives). The first recycling method in the world that turns used car bumpers whose useful lives are over into raw plastic resin for use in new car bumpers. The composition of polypropylene plastic and the adhesive qualities of the paint in used bumpers vary greatly.

Materials and Method

Measurements on the concentration of harmful exhaust emissions from a number of vehicle engines were taken at some motor parks in Gombe State Nigeria. An Exhaust Gas Analyzer with model number "Testo 350 XL" was used to carry out the measurements, by inserting the probe into the vehicle exhaust. This study's methodology is based on secondary literature, available statistics, and interviews with selected stakeholders in the automobile industry as well as unorganized sectors like road side auto mechanics, panel-beaters and scrap scavengers.

Table I: Documented Statistics Of Old Vehicles Importation

	Year2020	Year 2021	Year 2022	Year 2023	Year 2024
Cars	2,345,000	4,650,000	2,431,000	1,235,000	2,590,000
Buses	3,560,200	2,109,000	2,115,000	2,250,900	2,500,000
Trucks	1,351,000	938,000	1,251,000	889,005	1,004,000

Conclusion

In this study, we learned that, concentration of pollutants of imported used vehicles within the ages of 5 -25years are significantly higher than emission standards set by the "National Air Quality Guidelines for Maximum Exposure" which shows that these vehicle are harmful to environment. Due to the recent global shortage of raw materials, ELV parts—which include both metallic and non-metallic substances—are increasingly gaining recycling value. Setting up an appropriate recycling system for ELVs will not only lessen the environmental impact of the recycling process but also make it easier to reuse recycled resources thus, reducing cost of waste materials and harmfulness to our environment. In comparison to entities who do not maintain an equally high level of recycling activities, those that aggressively adopt and maintain a high level of recycling should have a low environmental cost. Reusing post-consumer aluminium in the construction of new automobiles will further cut manufacturing life-cycle emissions and energy consumption, which will result in far cheaper production costs.

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EFFECT OF START-UP CAPITAL ON THE OUTCOME OF ENTREPRENEURSHIP BUSINESS AMONG WOMEN IN JOS NORTH LOCAL GOVERNMENT AREA OF PLATEAU STATE

[1]Nwoko Amaechi Nnamdi, [2]Agbo Catherine & [3]Jang Luka Chukwang

[1,2]Department of Entreprenuership Studies, faculty of Administration, Nasarawa State University Keffi.
[3]JPTS Institute of Management, Science and Technology, Jos, Plateau State
[1]greengatesjos@yahoo.com, [2]agbocatherinel@gmail.com, [3]lukajan43@gmail.com

Abstract

Inadequate capital has been a major challenge facing entrepreneurship development and its outcome in our society. This study therefore explores the impact of start-up capital on entrepreneurship outcomes among women in Jos North Local Government Area of Plateau State. It highlights the critical role of financial resources, specifically bank loans and personal savings, in fostering business success for women entrepreneurs. Utilizing a survey research design, data were collected from a sample of 422 women entrepreneurs, employing the Cochran sampling formula to ensure validity. A structured questionnaire gathered demographic information and assessed perceptions of start-up capital's influence on business performance using a five-point Likert scale. Data analysis was analyzed using Partial Least Square - Structural Equation Modelling (PLS-SEM) to evaluate the complex relationships between start-up capital and entrepreneurial outcomes. The findings indicated strong positive effect between Personal savings, bank loans on entrepreneurship outcomes among women in Jos North Local Government Area of Plateau State, emphasizing the need for enhanced access to capital and support for women entrepreneurs. The study recommended that financial institutions should design tailored loan products specifically for women entrepreneurs, offering lower interest rates and flexible repayment terms to encourage more women to access start-up capital. Encourage a savings culture among women entrepreneurs through workshops and community initiatives.

Keywords: Business Outcomes, Loans, Personal savings, Start-up Capital, Women, Entrepreneurs

Introduction

Entrepreneurship among women has become a critical driver of socio-economic growth globally, yet disparities in business outcomes remain evident across regions (OECD, 2023). Women entrepreneurs contribute significantly to GDP and job creation worldwide, with studies showing that empowering women entrepreneurs can reduce poverty and improve economic equality (Dempere & Grassa, 2023). However, in Africa, systemic barriers such as limited access to capital, socio-cultural norms, and inadequate infrastructure impede their business outcomes (Nhleko et al., 2023). For example, a study in rural South Africa identified financial constraints as a major obstacle for women, often resulting in stagnated business growth (Nhleko et al., 2023). Addressing these challenges through supportive policies could enhance women's participation and success in entrepreneurship.

To begin with, personal savings remain one of the most accessible sources of start-up capital for women entrepreneurs, yet its sufficiency varies widely. Research in Peru highlighted the potential of women's savings programs to foster empowerment and entrepreneurship, enabling women to think long-term and achieve business sustainability (Daher et al., 2021). Similarly, studies from rural Africa demonstrated that savings often serve as a critical financial buffer, particularly for women in informal sectors where access to institutional credit is limited (Kusi et al., 2019). However, dependence on personal savings alone can limit scalability and growth potential, calling for complementary financial mechanisms.

Moreover, access to bank loans for women entrepreneurs remains a contentious issue, particularly in patriarchal societies where gender-specific barriers prevail. In Bangladesh, women entrepreneurs reported reliance on their spouses to secure bank loans due to systemic biases and limited collateral (Jaim, 2020). Meanwhile, in Africa, cooperative lending schemes have emerged as viable alternatives, offering interest-free credit and capacity-building programs that enhance women's business capabilities (Fieve & Chrysostome, 2022). However, stringent collateral requirements and high interest rates continue to deter many women from seeking formal financing, thereby curbing their potential for business expansion (El-Chaarani & El-Abiad, 2019).

Despite a growing body of research on women entrepreneurship, significant gaps remain. Globally, studies often emphasize macroeconomic factors, overlooking micro-level challenges such as cultural and familial barriers (Bastian et al., 2018). In Africa, while substantial work has been done on microfinance's impact, limited attention has been given to personal savings, loans influences women's entrepreneurship outcomes (Nkoa & Song, 2023). Regionally, there is inadequate exploration of women's financial decision-making dynamics, particularly in rural areas where socio-cultural norms heavily influence entrepreneurial activities (Nhleko et al., 2023). Addressing these interconnected gaps – the neglect of personal finance mechanisms, contextual micro-barriers, and rural financial agency is essential for developing truly effective, targeted interventions to support women entrepreneurs.

Statement of the problem

Entrepreneurship among women is widely recognized as a crucial driver of economic development, poverty alleviation, and societal transformation. However, women entrepreneurs face unique challenges that hinder their ability to start and sustain successful businesses. One of the most significant barriers is the lack of adequate start-up capital, which directly affects the outcomes of entrepreneurial ventures among women (Nhleko et al., 2023). Globally, studies reveal that women entrepreneurs often rely heavily on personal savings, which are usually insufficient to scale their businesses or compete in the marketplace (Daher et al., 2021). In developing regions such as Africa, limited access to bank loans, high collateral requirements, and gendered biases in financial institutions exacerbate this challenge, further marginalizing women from economic opportunities (El-Chaarani & El-Abiad, 2019).

Although personal savings and alternative financing mechanisms such as cooperative loans have shown some promise, their impact on the success and sustainability of women-owned businesses remains inconsistent and underexplored, particularly in resource-constrained environments (Fieve & Chrysostome, 2022). Moreover, while extensive research has been conducted on entrepreneurship globally, there is a lack of focus on the intersection of start-up capital and its direct influence on the business outcomes of women entrepreneurs in Africa. Existing studies often emphasize general economic barriers without adequately addressing how start-up capital sources such as personal savings and bank loans specifically shape the success trajectories of women entrepreneurs (Jaim, 2020; Nkoa& Song, 2023).Whereas the aforementioned studies may address broader themes or different demographic groups without emphasizing the unique financial challenges faced by women entrepreneurs in Jos North Local Government Area of Plateau State.

This gap in understanding limits the development of effective policies and interventions to address the unique financial needs of women entrepreneurs. Without targeted solutions, many women are unable to overcome these financial constraints, resulting in lower business success rates, reduced contributions to economic growth, and persistent gender disparities in entrepreneurial performance. Therefore, it is imperative to investigate the role of start-up capital, including personal savings and bank loans, in determining the outcomes of women's entrepreneurial ventures, particularly within Jos North Local Government Area.

Objectives of the Study

The main objective is to effect of start-up capital on the outcome of entrepreneurship business among women in Jos North Local Government Area of Plateau State. While the specific objectives are:

1. To evaluate the effect of personal savings on the outcome of entrepreneurship business among women in Jos North Local Government Area of Plateau State.
2. To assess the effect of bank loans on the outcome of entrepreneurship business among women in Jos North Local Government Area of Plateau State.

Literature Review

Startup Capital

Startup capital has been defined as the financial resources required by a business at its inception to cover operational and developmental expenses. Jumana et al. (2023) described startup capital as a critical driver for the sustainable performance of startups, ensuring their competitiveness through strategic resource allocation. Sandhu et al. (2024) viewed startup capital as an enabler of rapid business growth, facilitated by financial investments that provide cash and managerial expertise.

Di Lorenzo and Sabel (2023) argued that startup capital is pivotal in determining a venture's ability to innovate and generate revenue, particularly during its early stages. Majumdar and Mittal (2023) identified startup capital as a fundamental requirement for mitigating risks and diversifying investments in venture financing. Wang (2023) noted that the availability of startup capital underpins the transformation of entrepreneurial ideas into tangible products, acting as a cornerstone for business success.

Personal Savings

Personal savings can be defined from various perspectives, each highlighting a different aspect of the concept. From an economic perspective, personal savings refer to the portion of disposable income that individuals choose not to consume but rather set aside for future use or investment (Browning & Lusardi, 2021). It represents the excess of income over consumption expenditure, reflecting an individual's propensity to save rather than spend (Deaton, 2020). Personal savings act as a buffer against unexpected financial shocks, providing a safety net for individuals and households (Danziger et al., 2019).Personal savings refer to the portion of disposable income that individuals set aside rather than spending. It acts as a financial buffer, providing capital for investments or emergencies, and is often a key source of funding for entrepreneurs, especially in the early stages of business development.

Ho_1: Personal savings has no significant effect on the outcome of entrepreneurship business among women in Jos North Local Government Area of Plateau State.

Bank Loans

Bank loans were described as financial instruments provided by banking institutions to individuals or businesses, typically involving agreements to repay the principal with interest over a defined period. Sharma (2024) identified bank loans as a significant funding mechanism for startups, offering initial liquidity to support business operations. Langi et al. (2024) described bank loans as essential financial tools, especially for enterprises, providing the necessary capital to maintain financial stability. Al-Silefanee and Ismael (2023) highlighted that bank loans is atraditional financing methodto address entrepreneurs' funding challenges. Chrisostom et al. (2024) analysed the accessibility and financial impact of bank loans on businesses, revealing both their importance for asset growth and the barriers such as high interest rates. Finally, Ngoc (2022) emphasised that bank loans remained the primary financial resource for startups, particularly in developing economies, where institutional capital was often inaccessible.This study viewed bank loans are financial instruments provided by banking institutions to individuals or businesses, requiring repayment of the principal amount along with interest over a specified period. They serve as a significant funding source for startups and can help maintain financial stability.

Ho_2: Bank loans has no significant effect on the outcome of entrepreneurship business among women in Jos North Local Government Area of Plateau State.

Entrepreneurship Business

Entrepreneurship business has been defined as the creation and management of ventures to address gaps in the market while generating value through innovation and resource utilization. Chenavaz et al., (2023) viewed entrepreneurship as a process where corporate social responsibility (CSR) is integrated to ensure long-term sustainability and positive societal benefit. Diandra and Azmy (2020) emphasized entrepreneurship as an economic phenomenon that drives growth, with a focus on entrepreneurial skills, innovation, and market adaptability. Drobyazko et al., (2020) argued that entrepreneurship is inherently linked to strategic planning and market optimization, particularly in technology-driven sectors. According to Prince et al. (2021), entrepreneurship is defined by its focus on opportunity recognition and value creation while navigating uncertainty, highlighting the importance of innovation in sustaining competitive advantage.

Empirical Review

Saidi et al., (2019) examined the link between bank loan (measured by access to loan and debt financing) and Small and Medium Enterprise (SME) performance (measured by business expansion and output) in Lagos, Nigeria using a survey research design. The study adopted the survey research design. The population for this study consists of 11,663SMEs in Lagos State, Nigeria. The Yamane sample size determination formula was employed, which gave a sample size of 372. Pearson correlation analysis was employed to test the assumptions. The findings revealed that access to loan is positively associated with business expansion of SMEs in Nigeria ($r = 0.801$, p-value<0.05); also, debt financing is positively associated with outputs of SMEs in Nigeria ($r = 0.894$, p-value<0.05). It was therefore concluded that bank loan is strongly associated with SMEs performance, particularly SMEs business expansion and output.

Vedaste and Ruranga (2018) examined the effect of short-term bank loan financing on financial performance of manufacturing Small and Medium Enterprises (SMEs) in Rwanda. The study had a population of 382 manufacturing SMEs operating in Kigali, a sample of 196 SMEs was drawn and a survey study was conducted using self-administered questionnaires to collect primary data from SME holders. Descriptive and inferential statistics were used to analyze the study collected data. Using a binary logistic model the findings revealed that there is significant and positive relationship between short term loan financing in terms of line of credit finance, overdraft financing facilities, contract finance, working experience and organization types financial performance of manufacturing SMEs in terms profit in Rwanda.

Nguyen (2022) explored the connection between personal savings and the performance of firms in Vietnam using a survey research design, the study utilized a five-point Likert scale questionnaire to gather data from the study respondents. The study population comprises of 456 firms and a sample size of 56 firms was used using convenient sampling technique. The examination of the results employed the application of regression analysis and coefficients of association for testing the variables. The result revealed that personal savings influences firm performance in Vietnam.

Ibidunni et al., (2018) examined the Financing Strategy, entrepreneurial skills, and business expansion of SMEs in Nigeria. The study incorporated demographic variables (Gender, Marital status, Age bracket, Educational qualification), independent variables (Personal savings, Bank loan, Venture capital, Business Donations), and dependent variables (Profit growth, Sales growth, and Employee growth). The researcher used a standardized survey for collecting data and applied descriptive statistics and multiple regression for analysis. The findings indicated a significant influence of personal savings, bank loans, venture funding and corporate donations on the profit growth of technology-based Small and Medium-sized Enterprises (SMEs).

Gheribi et al., (2018) carried out a study on identifying potential sources of financing for start-up companies. Survey research design was utilized and structured questionnaire was also employed as a medium for data gathering. Data was analysed using simple percentage. The researchers discovered that start-up companies showed a preference for utilizing internal funds as a means of raising capital, in addition to considering options such as personal savings, public funds, venture capital, business angels, and accelerator programs. The researchers identified various funding sources, among which were bank loans.

In conclusion, the reviewed studies highlight the crucial role of bank loans and personal savings in boosting the performance of Small and Medium Enterprises (SMEs). Saidi et al., (2019) found a strong link between bank loans and business expansion in Nigeria, while Vedaste and Ruranga (2018) highlighted the positive impact of short-term loans on financial performance in Rwanda. Nguyen (2022) showed that personal savings also significantly enhance firm performance in Vietnam. Ibidunni et al., (2018) emphasized the importance of diverse financing strategies for profit growth in technology-based SMEs, and Gheribi et al., (2018) noted that start-ups often rely on both internal funds and bank loans. Together, these findings illustrate that effective financial resources are essential for the success and growth of SMEs across different contexts.

Resource-Based Theory (RBT)

The Resource-Based Theory (RBT), propounded by Barney (1991), serves as a suitable theoretical foundation for examining the effect of start-up capital on the outcomes of entrepreneurial businesses among women in Jos North Local Government Area. This theory posits that the success and competitive advantage of businesses stem from the effective utilization of internal resources, which include financial capital, human skills, and unique capabilities. Barney (1991) emphasized that businesses with valuable, rare, inimitable, and non-substitutable (VRIN) resources can achieve sustained competitive advantages. In the context of women's entrepreneurship, start-up capital is a vital financial resource that enables the acquisition of equipment, raw materials, and marketing tools necessary for business success. The theory's strength lies in its ability to connect resource endowment with business performance, making it highly relevant for exploring how financial constraints or access to capital influence the success of women-owned businesses. However, its weakness is its limited focus on external environmental factors, such as cultural or market constraints, which are often critical in the entrepreneurial landscape (Barney, 1991).

In relation to this study, the RBT explain how the availability and management of start-up capital affect entrepreneurial outcomes for women in Jos North. Women entrepreneurs often face resource challenges, and the theory underscores the importance of leveraging available capital to enhance productivity and competitive advantage. For instance, inadequate start-up capital could limit access to critical inputs, thereby hampering business growth and sustainability. On the other hand, sufficient financial resources can foster innovation, improve market presence, and drive profitability. By aligning with the RBT, this study highlights the role of financial capital as a strategic resource, while acknowledging the socio-economic barriers unique to the local context of Plateau State. Thus, the theory complements the study by offering a framework to evaluate how women's access to capital impacts their entrepreneurial success in the region.

Materials and Method

A survey research design was adopted for this study to collect primary data from women entrepreneurs in Jos North Local Government Area. This approach facilitated the gathering of quantitative data that is essential for examining the relationship between off-grid energy and business performance. The target population comprised all active women entrepreneurs in Jos North LGA. However, the actual number of the population was not defined. In order to determine an appropriate sample size, the study employed Cochran (1977) sampling formula to determine the sample size as thus:

$$n = \frac{Z^2 p(1-p)}{e^2}$$

Where:

e = desired level of precision (margin of error 5% = 0.05)

p = estimated proportion of the population which has the attributes in question.

q = 1 – p

Z = z- value (found in a Z – table)

$$n = \frac{(1.96)^2 (0.5)(0.5)}{(0.05)^2}$$

$$n = \frac{3.8416 \times 0.5}{0.0025}$$

$$n = \frac{1.9208}{0.0025}$$

n = 384.1

n = 384

Furthermore, ten percent (10%) was added to the recommended sample size so as to take care of any emergent issue that may arise which include unreturned questionnaire, wrongly fill questionnaire among others (Israel, 2013).

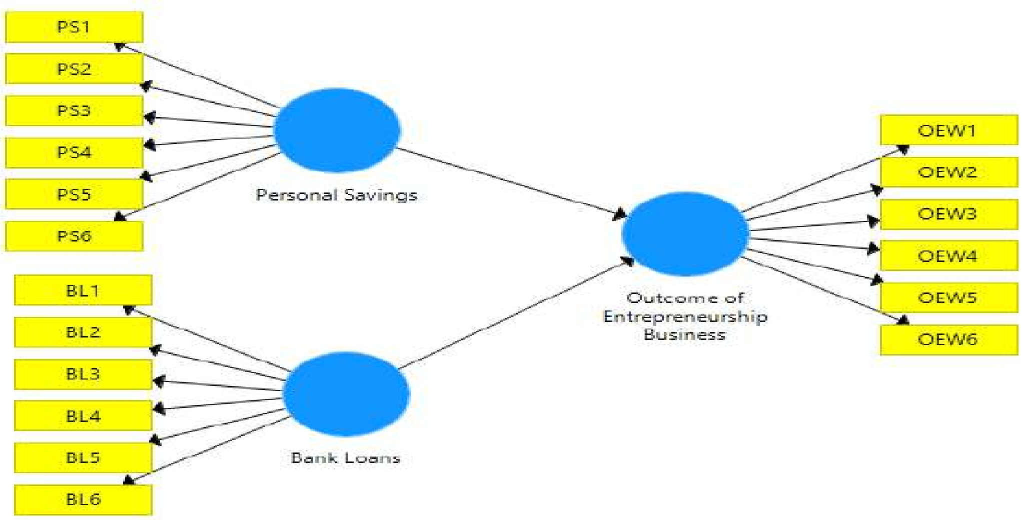
10% of 384 = $384 \times \frac{1}{10}$ = 38.4

= 384+38.4 = 422.4

Therefore, the study sample size is 422 respondents and judgmental sampling was utilized to ensure that only women entrepreneurs in Jos North LGA were selected, thereby enhancing the validity of the study. A structured questionnaire was adapted from the work of Oburo (2021), comprising two sections. Section A collected demographic information, including age, experience, and business size, while Section B included questions related to Startup capital and the outcome of entrepreneurship businesses. The latter was assessed using a five-point Likert scale, allowing respondents to express their level of agreement or disagreement with various statements concerning energy reliability and cost.

The collected data were analyzed using Partial Least Square - Structural Equation Modelling (PLS-SEM) Version 3. This analytical approach is particularly suitable for evaluating complex relationships between the independent variables and the dependent variable. The following establish model was used:

Figure 1: Graphical Model



Results and Discussion

A total of four hundred and twenty-two (422) copies of questionnaires were distributed to the respondents, and a total of four hundred and thirteen (413) copies were successfully retrieved from the respondents. However, three hundred and ninety-two (392) copies of the questionnaires were found usable after questionnaire sorting and data cleaning. To test the hypothesized model, confirmatory factor analysis, path assessment was conducted. For the determination of the factor structure, the validity of the factor has been examined with the help of factor loadings. The indicator loadings should be larger than 0.4 to ensure indicator reliability (Hair, 2014). From table 2, all the indicators are larger than 0.4 indicating that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability (see table 1 & Fig 2).

Figure 2: Measurement Model

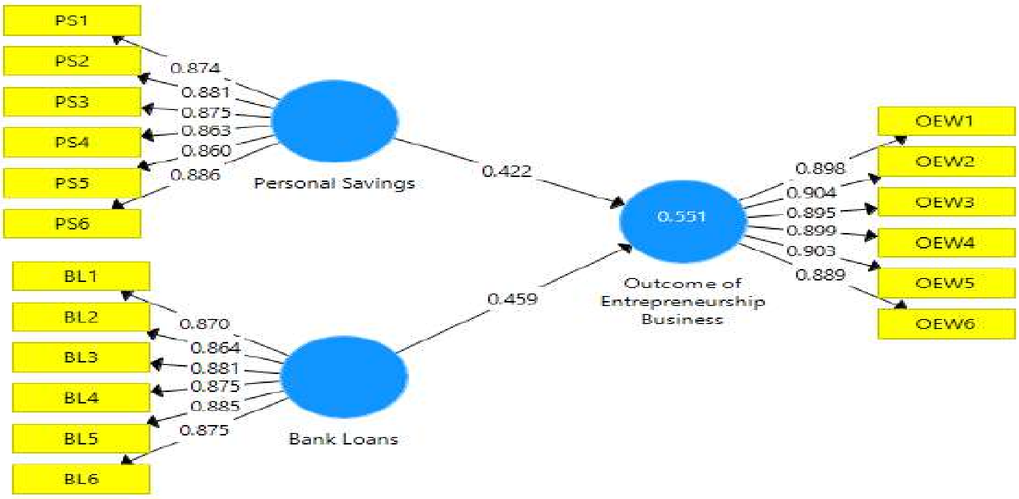


Table 1: Indicators Loadings

	Bank Loans	Outcome of Entrepreneurship Business	Personal Savings
BL1	0.870		
BL2	0.864		
BL3	0.881		
BL4	0.875		
BL5	0.885		
BL6	0.875		
OEW1		0.898	
OEW2		0.904	
OEW3		0.895	
OEW4		0.899	
OEW5		0.903	
OEW6		0.889	
PS1			0.874
PS2			0.881
PS3			0.875
PS4			0.863
PS5			0.860
PS6			0.886

Source: SmartPLS, 2025

To establish internal consistency reliability of the construct, Cronbach's alpha and composite reliability (CR) should be higher than the threshold of 0.7 (Collier, 2020). It is clear from table 1 that all the latent indicators are reliable since their values are higher than the threshold value of 0.7. Convergent validity is the extent to which the construct converges in order to explain the variance of its items. To assess convergent validity, the average variance extracted (AVE) should be larger than 0.5. In table 2, all the constructs value of the average variance extracted AVE are larger than 0.5 which shows that our constructs satisfied the condition of convergent validity. It also indicates that all the construct explains 50 percent or more of the variance of the items that make up the construct.

Table 2: Construct Validity and Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Bank Loans	0.939	0.948	0.951	0.766
Outcome of Entrepreneurship Business	0.952	0.954	0.962	0.806
Personal Savings	0.938	0.951	0.951	0.763

Source: SmartPLS, 2025

Furthermore, discriminant validity was assessed by examining the heterotrait-monotrait ratio of the construct. Henseler et al. (2015) propose a threshold value of 0.90 for structural models with constructs that are conceptually very similar, but when constructs are conceptually more distinct, a lower, more conservative, threshold value is suggested, such as 0.85 (Henseler et al., 2015).

Table 3: Heterotrait-Monotrait (HTMT) Ratio

	Bank Loans	Outcome of Entrepreneurship Business	Personal Savings
Bank Loans			
Outcome of Entrepreneurship Business	0.659		
Personal Savings	0.428	0.635	

Source: SmartPLS, 2025

Base on the result in Table 3, there is no discriminant validity issue because both condition of a maximum value of 0.9 and minimum value of 0.85 were not exceeded.

Table 4: Explanatory Power of the Model

	R Square	R Square Adjusted
Outcome of Entrepreneurship Business	0.551	0.549

Source: SmartPLS, 2025

Table 4 shows the explanatory power of the model using coefficient of determination (R^2). With R^2 of 0.551 off grid energy indicators explains 55.5% of variance in Entrepreneurship business. The R^2 ranges from 0 to 1, with higher values indicating a greater explanatory power. As a guideline, the R^2 values of 0.75, 0.50, and 0.25 can be considered substantial, moderate, and weak (Henseler et al., 2009; Hair et al., 2011). The R^2 values of all the constructs indicates a moderate explanatory power of the exogenous variable.

Table 5: Path Coefficient

Hypothese	β	Sample Mean	Std Dev	T Statistic	P Values	Decision
Bank Loans -> Outcome of Entrepreneurship Business	0.459	0.462	0.041	11.238	0.000	Rejected
Personal Savings -> Outcome of Entrepreneurship Business	0.422	0.422	0.040	10.641	0.000	Rejected

Source: SmartPLS, 2025

Table 5 result on the impact of start-up capital on entrepreneurship outcomes among women in Jos North Local Government Area of Plateau State indicate that the relationship between bank loans and business outcomes is strong, indicated by a path coefficient of 0.459, a sample mean of 0.462, and a high t-statistic of 11.238, all suggesting that increased bank loan amounts lead to substantial improvements in entrepreneurial success. The statistical significance is further confirmed by a p-value of 0.000, implies the rejection of the null hypothesis. Similarly, personal savings also demonstrate a positive impact, with a path coefficient of 0.422, a sample mean aligning with the coefficient, and a t-statistic of 10.641, underscoring its significant role in enhancing business outcomes. The p-value for personal savings is likewise 0.000, indicating a robust relationship. This implies the rejection of the null hypothesis and the acceptance of the alternative hypothesis.

Discussion of Findings

The study findings highlight the significant effect of start-up capital on entrepreneurship outcomes among women in Jos North Local Government Area of Plateau State. Both bank loans and personal savings demonstrate strong positive relationships with business success, underscoring the critical role that financial resources play in fostering entrepreneurial endeavors.

The path coefficient of 0.459 for bank loans suggests that access to external financing is a key determinant of business performance. This finding aligns with previous research indicating that financial support can mitigate barriers to entry and enhance growth potential for women entrepreneurs (Aldrich & Cliff, 2003; Brush et al., 2006). The high t-statistic (11.238) and the p-value (0.000) further confirm the statistical significance of this relationship, suggesting that women who secure bank loans are more likely to achieve favorable business outcomes. This is consistent with the work of Duflo and Udry (2004), who found that access to credit significantly improves productivity and business viability. This implies that bank loans are crucial for business success, particularly for women entrepreneurs, by providing essential financial resources.

In addition to external financing, personal savings, with a path coefficient of 0.422, also play a crucial role in influencing entrepreneurship outcomes. The importance of personal savings reflects the self-reliance and financial management strategies employed by women entrepreneurs. Literature suggests that personal savings can serve as a buffer during challenging economic times, providing entrepreneurs with the necessary capital to invest in their businesses without incurring debt (Harrison & Mason, 2007). The statistical significance of this relationship, highlighted by a t-statistic of 10.641 and p-value of 0.000, reinforces the idea that effective financial management practices are essential for entrepreneurial success (Verheul et al., 2006).The dual reliance on both bank loans and personal savings indicates the multifaceted nature of financial capital in entrepreneurship. This finding supports the notion that a diverse funding strategy can enhance business resilience and growth (Mason & Harrison, 2004). Additionally, it points to the critical need for financial literacy programs that empower women entrepreneurs to manage their finances effectively and leverage available resources.

Conclusion and Recommendations

Conclusion

This study investigated the impact of start-up capital on entrepreneurship outcomes among women in the Jos North Local Government Area of Plateau State. The research employed a survey design to collect primary data from women entrepreneurs, focusing on their experiences and the role of financial resources in fostering entrepreneurial activities. To determine an appropriate sample size, the study utilized Cochran's (1977) sampling formula, which resulted in a calculated sample size of 384 respondents. An additional 10% was included to account for potential issues such as unreturned or incorrectly filled questionnaires, bringing the total sample size to 422. Judgmental sampling was used to ensure that the participants were exclusively women entrepreneurs in Jos North LGA, thereby enhancing the study's validity.

The structured questionnaire consisted of two sections: demographic information and questions regarding start-up capital and entrepreneurship outcomes. Responses were measured using a five-point Likert scale, which allowed for nuanced expressions of agreement or disagreement concerning energy reliability and related costs. Data analysis was conducted using Partial Least Square - Structural Equation Modelling (PLS-SEM), suitable for evaluating the complex relationships between independent and dependent variables. The study reveals that both bank loans and personal savings, demonstrated a strong positive correlation with entrepreneurial success of women in Jos North LGA. This study contributes to the existing literature on entrepreneurship by highlighting the critical role of start-up capital, particularly bank loans and personal savings, in enhancing entrepreneurial outcomes among women. It supports theories related to access to finance, which assert that financial resources are vital for business success. For practitioners and policymakers, the findings underscore the importance of facilitating access to financial resources for women entrepreneurs. Programs that enhance access to bank loans and support personal savings initiatives can significantly impact entrepreneurial success in regions like Jos North LGA.

Recommendations

Based on the findings of the study regarding the impact of start-up capital on entrepreneurship outcomes among women in Jos North Local Government Area, the following recommendations are proposed:

i. **Enhanced Access to Financial Resources**: Financial institutions should design tailored loan products specifically for women entrepreneurs, offering lower interest rates and flexible repayment terms to encourage more women to access start-up capital.
ii. **Promotion of Savings Culture**: Encourage a savings culture among women entrepreneurs through workshops and community initiatives. Access to personal savings can complement bank loans, providing a more robust financial foundation for business ventures.

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MODERATING EFFECT OF ENTREPRENEURIAL RESILIENCE ON THE RELATIONSHIP BETWEEN ECONOMIC BUSINESS ENVIRONMENT AND MSMEs PERFORMANCE

[1]**DAUDA Auwalu,** [2]**Prof. Nasiru Abdullahi &** [3] **Dr. Auwalu Inusa**

[1, 3]International Centre of Rural Finance and Entrepreneurship, Ahmadu Bello University, Zaria
[2]Ahmadu Bello University Business School, Zaria
[1]mauwaldauda@gmail.com, [2]elnasir@gmail.com [3]aygdanzaki@yahoo.com

Abstract

Micro, Small, and Medium Enterprises (MSMEs) hold pivotal roles in global economies, driving economic growth by fostering efficiency, productivity, and competitiveness. Although the growing concerns about economic business factor and entrepreneurial resilience needs cannot be over-emphasized. It is in this regards that this study was carried out to measure the role of entrepreneurial resilience on the relationship between economic business factor and the performance of MSMEs. To validate this model a cross-sectional research design, was adopted using a quantitative research method which implies one time gathering of information from study participants. This was accomplished by collecting data using a standardized questionnaire. 237 MSMEs were randomly selected in Kaduna State. The study used census method in selecting the population since the population is not large thus, using the entire population. SMARTPLS4 (SEM), a statistical analysis package, was used to analyze the study's data. Results show that economic business factor affects MSMEs performance positively while entrepreneurial resilience moderated economic business factor on MSMEs performance positively. This implication of this outcome is that governments, financial institutions and other stakeholders could look at the impact of entrepreneurial resilience could have on MSMEs performance. Also, the effect of economic business factor on MSMEs performance is significantly increased.

Keywords: Economic, Entrepreneurial Resilience, MSMES and Performance

Introduction

Micro, Small, and Medium Enterprises (MSMEs) hold pivotal roles in global economies, driving economic growth by fostering efficiency, productivity, and competitiveness. Successful examples in East and Southeast Asia, such as South Korea, Singapore, and Taiwan, demonstrate the benefits of robust MSME performance. Similarly, African countries emphasize MSME growth to amplify output and employment (Tambunan, 2019), while industrial MSMEs contribute to economic stability (Indiris & Primiana, 2015). MSMEs must navigate these complexities to effectively serve their markets (Baporikar, 2020). The diverse cultural landscape may necessitate tailored marketing strategies, product customization, and respect for local traditions.

However, in developed economies like OECD countries, MSMEs constitute 99% of firms, providing around 70% of jobs and contributing 50-60% of value added (OECD, 2020). In emerging economies, MSMEs contribute significantly to employment and GDP (International Finance Corporation, 2010). MSMEs are crucial for economic and regional development (Ruchkina et al., 2017), with SBP (2020) and Shah (2018) emphasizing their role as economic backbones.

MSMEs play a significant role to the growth and development of a country (Selvam, 2021). Micro, Small, and Medium Enterprises (MSMEs) are considered the lifeblood of many economies, contributing significantly to job creation, economic growth, and poverty reduction (Adviento et. al., 2022). The Punch newspaper (2023) reports that eighty percent of MSMEs in Nigeria die under five years. According to Igwe et al., (2020), the economic business environment poses considerable difficulties within the Nigerian context for MSMEs. Rising price levels, unstable currency values, and a volatile macroeconomic environment have created uncertainty and hindered business planning. Moreover, limited access to affordable finance due to high-interest rates and stringent collateral requirements constrains the ability of MSMEs to invest, expand, and innovate.

However, these gaps can lead to difficulties in workforce management, navigating complex regulatory landscapes, and crafting effective communication strategies. Entrepreneurial resilience becomes a vital asset in addressing these challenges. Resilient entrepreneurs can adapt to diverse cultural nuances, strategically manage workforce diversity, ensure compliance with shifting regulations, and proactively adjust marketing approaches based on evolving consumer preferences (Ates & Bititci, 2019). By embodying resilience, MSMEs can transform economic business challenges into opportunities, fostering long-term success in the face of dynamic and unpredictable business environments.

Consequently, recognizing the resilience of these enterprises has emerged as a key factor in maximizing their potential impact on economic growth (Saad et al., 2021). Resilience represents a critical organizational attribute necessary for businesses to navigate increasingly complex and unpredictable environments (Albrrow, Alnur & Abbas, 2019). Despite its frequent application in management literature and MSME research, the concept remains inconsistently defined and poorly integrated across studies.

Yet according to Clampit et al., (2022), MSMEs owners still find it difficult to know the right environment to operate even with the effort of the government to create an enabling environment for businesses in the country and right entrepreneurial resilience MSMEs owner/managers should have to perform in an unfavourable external business environment. The existing literature highlights various challenges faced by Micro, Small, and Medium Enterprises (MSMEs) in a globalized environment, including recession, low productivity, lack of managerial capabilities, financing difficulties, and environmental factors (Samad, 2018; Saleh & Ndubisi, 2018; Teoh & Chong, 2018). Environmental downturns have been ongoing concerns since 2018, with adverse impacts on MSMEs performance due to unfavourable economic conditions (Mukherjee, 2018).

MSMEs in Nigeria, constituting a significant portion of businesses, have struggled to achieve desired economic growth and development goals (Abdullahi, 2021). Challenges such as changing human behaviour, workforce diversity management, and insecurity have hampered MSME performance (Okpara & Kabongo, 2009; Karuoi & Kemakem, 2019; Ojimbna, 2019; Adewole, 2022). Despite policy efforts to bolster the sector, many MSMEs remain micro-sized and fail to thrive (SMEDAN, 2017; Fiiwe, 2022).

Numerous studies have explored environmental factors' impact on MSME performance, focusing on, economic business factor (Agus et al., 2023; Purwanto et al, 2023; Paggadut, 2021). These factors vary in their influence on performance, highlighting the need for a comprehensive analysis (Adeoye, 2019; Mai & Phuong, 2019; Felicia et al., 2019). This study aims to address this gap by examining the moderating effect of entrepreneurial resilience on the relationship between economic business factors on MSMEs performance.

Literature Review

Economic Environment and Performance

The study by Pedauga et al., (2021) investigates the role of small businesses in Spain's economy during the COVID-19 pandemic, revealing that small businesses contribute significantly to GDP and employment. Using a financial social accounting matrix, the study identifies that small businesses account for 43% of GDP and two-thirds of the reduction in unemployment caused by the pandemic. While the study offers valuable insights into small businesses' economic resilience, it lacks detailed analysis of sector-specific impacts and regional disparities. Further research could address these gaps by examining regional SME responses and long-term sustainability.

Braunerhjelm, (2021) critiques traditional stabilization policies and suggests a broader approach that includes supply-side measures and promotes entrepreneurship and knowledge upgrading. This study highlights the need for fiscal policies that support long-term growth and competitive advantage, although it could benefit from more exploration of how these policies specifically impact economic resilience and the practical challenges of implementation. Nnena et al., (2020) and Akpoviroro & Owotutu (2018) discuss how macroeconomic factors like interest rates, exchange rates, and inflation affect the operation and growth of small and medium enterprises (SMEs). They note that economic conditions significantly influence SME performance, with expansion during economic growth and potential failures during recessions. Effective management must distinguish between short-term phenomena and fundamental economic changes.

Owolabi (2017) explores the impact of economic characteristics on SMEs in Nigeria, finding that factors like government expenditure and inflation negatively affect financial performance. The study reveals a significant relationship between these economic factors and SME performance, though it suggests the need for more nuanced analysis and a larger sample for broader applicability. Abubakar (2015) examines the performance of small-scale businesses (SSBs) in Kano and Sokoto states, finding that economic factors significantly impact performance. The study recommends government interventions to improve infrastructure and financial support but suggests further investigation into different statistical methods and policy specifics for practical relevance.

In another study Onugu and Uzondu (2015) investigate how socio-economic characteristics of cooperative members influence SME performance in Onitsha, Nigeria. They find that factors like education and cooperative experience significantly affect performance, suggesting the need for further exploration of socio-cultural factors and longitudinal studies to understand the evolving impact of these characteristics. Similarly, Tarashevskyi and Maksym (2020) echo concerns about macroeconomic factors affecting business conditions in Ukraine, emphasizing the importance of these factors in determining profitability. Egbunike and Okerekeoti (2018) and Kot (2018) discuss how macroeconomic variables like interest rates and inflation influence SME performance, while Chukwuma and Chukwuma (2015) and Ozigbo (2019) highlight the impact of these factors on small-scale business performance in Nigeria, suggesting the need for stable economic policies to support business activities.

The Moderating effect of entrepreneurial resilience on economic business factors and MSMEs Performance

The moderating effect of entrepreneurial resilience on economic business factors and MSMEs (Micro, Small, and Medium Enterprises) performance is a critical area of study that explores how resilient entrepreneurship influences business outcomes in varying economic conditions.

Entrepreneurial resilience refers to the ability of entrepreneurs to adapt, recover, and thrive amid economic challenges and disruptions (Pathak et al, 2024). This resilience can significantly impact how MSMEs perform in the face of fluctuating economic factors such as interest rates, inflation, and exchange rates.

Economic business factors, including interest rates, inflation, and exchange rates, can profoundly affect MSMEs' operations and performance. High-interest rates may increase borrowing costs, while inflation can erode profit margins. Exchange rate fluctuations impact the cost of imports and exports, influencing overall financial stability. Understanding how these factors interact with entrepreneurial resilience provides valuable insights into business performance.

Entrepreneurial resilience acts as a buffer against adverse economic conditions. Korber and McNaughton, (2018) opined that resilient entrepreneurs are better equipped to navigate financial stress, adapt business strategies, and implement innovative solutions to mitigate the negative effects of economic downturns. They often demonstrate a proactive approach, leveraging their adaptability to sustain operations and capitalize on new opportunities despite economic challenges.

Furthermore, research indicates that MSMEs led by resilient entrepreneurs are more likely to maintain stable performance and recover swiftly from economic shocks compared to those led by less resilient entrepreneurs (Hanggraeni & Sinamo, 2021). Resilience enables entrepreneurs to manage risks effectively, maintain operational efficiency, and sustain competitive advantage, even during periods of economic instability.

The moderating effect of entrepreneurial resilience on MSME performance highlights the importance of fostering resilience among entrepreneurs. Support mechanisms such as training programs, mentorship, and financial planning can enhance resilience, helping MSMEs to better cope with economic fluctuations. By focusing on building entrepreneurial resilience, policymakers and support organizations can improve MSMEs' ability to thrive in diverse economic environments, ultimately contributing to economic stability and growth (De Castro & De Castro, 2023)

Theoretical Framework

Dynamic Capabilities Theory

The moderating effect of entrepreneurial resilience on economic business factors and MSMEs performance can be understood through the lens of the Dynamic Capabilities Theory. This theory, developed by David Teece and his colleagues, emphasizes a firm's ability to adapt to changing environments by leveraging and enhancing its internal resources and capabilities (Teece & Pisano, 2003). The theory posits that firms with strong dynamic capabilities are better equipped to respond to external changes and disruptions. In the context of MSMEs, entrepreneurial resilience represents a key dynamic capability. This resilience allows entrepreneurs to effectively navigate economic challenges, such as fluctuations in interest rates, inflation, and exchange rates.

According to the theory, dynamic capabilities include the ability to sense and seize opportunities, as well as to reconfigure existing assets in response to changing conditions (Quansah et al., 2022). Resilient entrepreneurs demonstrate these capabilities by adapting their business strategies, managing risks, and implementing innovative solutions during economic downturns. This adaptability is crucial for maintaining business performance and stability in volatile economic environments. The moderating effect of entrepreneurial resilience aligns with the Dynamic Capabilities Theory by illustrating how resilience enhances MSMEs' ability to handle adverse economic factors. Entrepreneurs with high resilience can better manage the negative impacts of economic fluctuations, thus moderating the relationship between economic business factors and MSME performance. They are able to adjust their operations and strategies to mitigate risks, maintain operational efficiency, and capitalize on new opportunities despite economic pressures.

Materials and Method

Cross sectional design, was adopted using a quantitative research method which implies one time gathering of information from study participants. This was accomplished by collecting data using a standardized questionnaire. Using Krejcie and Morgan (1970) population and sample size table, a population of 950 MSMEs was used where the sample of the derived population was 237 MSMEs using a simple random sampling technique. The study used census method in selecting the population since the population is not large thus, using the entire population. SMARTPLS4 (SEM), a statistical analysis package, was used to analyse the study's data. The study presented the result in frequency, percentage, and in multiple regression format.

Measurement Instruments

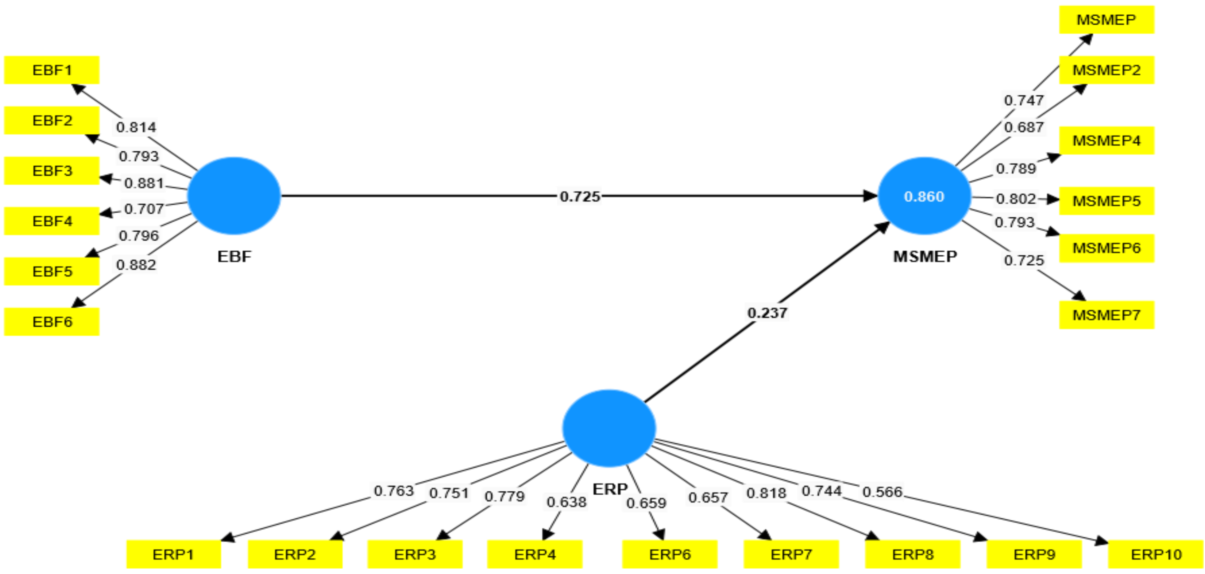
The entrepreneurial resilience scale is a 5-item scale was adapted from the scale developed by Connor Davidson (2003). For economic business factor, the measure consists six measurement items adapted from McNamara and Watson (2005) and performance was measured using seven (5) items developed by Spillian and Parnell (2019). All the variables used a five-point Likert scale ranging from I strongly disagree to 5 strongly agree.

Results and Discussion

This research adopts the structural equation modelling (SEM) technique for its analytical framework. The choice of this method is grounded in three primary justifications. First, SEM is well-suited for examining theoretical constructs within the constraints of a limited sample size (Frazier et al., 2004). Second, it enables the exploration of predictive and causal relationships (Baron & Kenny, 1986). Third, the study utilizes partial least squares (PLS) combined with confirmatory factor analysis (CFA) to evaluate the proposed hypotheses. One of the key advantages of this method is its superior precision in situations involving relatively small sample sizes (Jöreskog & Wold, 1982).

This subsection discusses the measurement model, often referred to as the outer model, which delineates how latent constructs are represented by their respective indicators (Becker et al., 2012). The parameter estimates in this outer model primarily consist of indicator loadings (Ringle et al., 2012). Figure 1 illustrates the path model used in the analysis.

Figure 1 Path Model



From the figure 1 it shows the loadings of respective indicators/items for the constructs and hence, it's reported by the reliability and validity, and discriminates validity.

Reliability and Validity

To validate the accuracy of the constructed first-order reflective indicators, this study assesses composite reliability (CR) as a measure of internal consistency (Nunnally, 1994). It also applies the average variance extracted (AVE) to determine the validity of the constructs. As shown in Table 1, all indicator loadings exceeded the threshold of 0.5, meeting acceptable standards supported by prior research (Hair et al., 2011). Furthermore, the constructs demonstrated satisfactory reliability, with CR values surpassing 0.7 and AVE scores exceeding 0.5, confirming both internal consistency and convergent validity.

Table 1: Constructs Reliability and Validity

	Loadings	CR	AVE
EBF1	0.814	0.921	0.663
EBF2	0.793		
EBF3	0.881		
EBF4	0.707		
EBF5	0.796		
EBF6	0.882		
ER1	0.763	0.902	0.508
ER2	0.751		
ER3	0.779		
ER4	0.638		
ER6	0.659		
ER7	0.657		
ER8	0.818		
ER9	0.744		
ER10	0.566		
MSMEP1	0.747	0.890	0.575
MSMEP2	0.687		
MSMEP4	0.789		
MSMEP5	0.802		
MSMEP6	0.793		
MSMEP7	0.725		

Source:

Table 1 show the loadings of the respective items on their construct, and all the loadings are above 0.5. Also, the tables show the Cronbach's Alpha (CA) and composite reliability (CR) which is above the threshold of 0.7 and Average Variance Extracted (AVE) is above the recommended value of 0.5.

Discriminant validity

The discriminants validity explains how each variable is distinct from each other in the study. The study report in table 2 using HTMT.

Table 2: Discriminants Validity HTMT Criterion

	ER	MSMEP	EBF
ER			
MSMEP	0.720		
EBF	0.792	0.677	

Source:

Table 2 show the discriminants validity using HTMT criterion for the variable of the study. It indicates that, the diagonal and bold figure show the square of the AVE and they are above all the correlation of their respective loadings. Thus, the study satisfies this discriminants validity criterion and hence we shall check the next criterion.

R Square

The coefficient of determination (R^2) illustrates the amount of variance in the endogenous constructs. It indicates that the threshold value of 0.25 (as weak), 0.5 (as moderate) and 0.7 (as substantial respectively). Thus, below is the R square value for the study.

Table 3 Coefficient of Determination

R Square	R Square	R Square Adjusted
MSMEs Performance	0.860	0.860

Source:

Table 3 show the R Square value; however, it is acceptable when the R^2 value is less than 0.19 (Chin 1998). Table 3 shows that the R^2 value is 0.860. Therefore, it explains the 86% of the variation in independent variables of the model.

Assessment of Structural Model/Inner Loading

This sub section explains about the assessment of structural model. Also, it completes the SEM model, which describes the correlations among the latent variables that make up the SEM model (Chin, 2010).

Figure 2 Bootstrapping Result of Direct Relationship

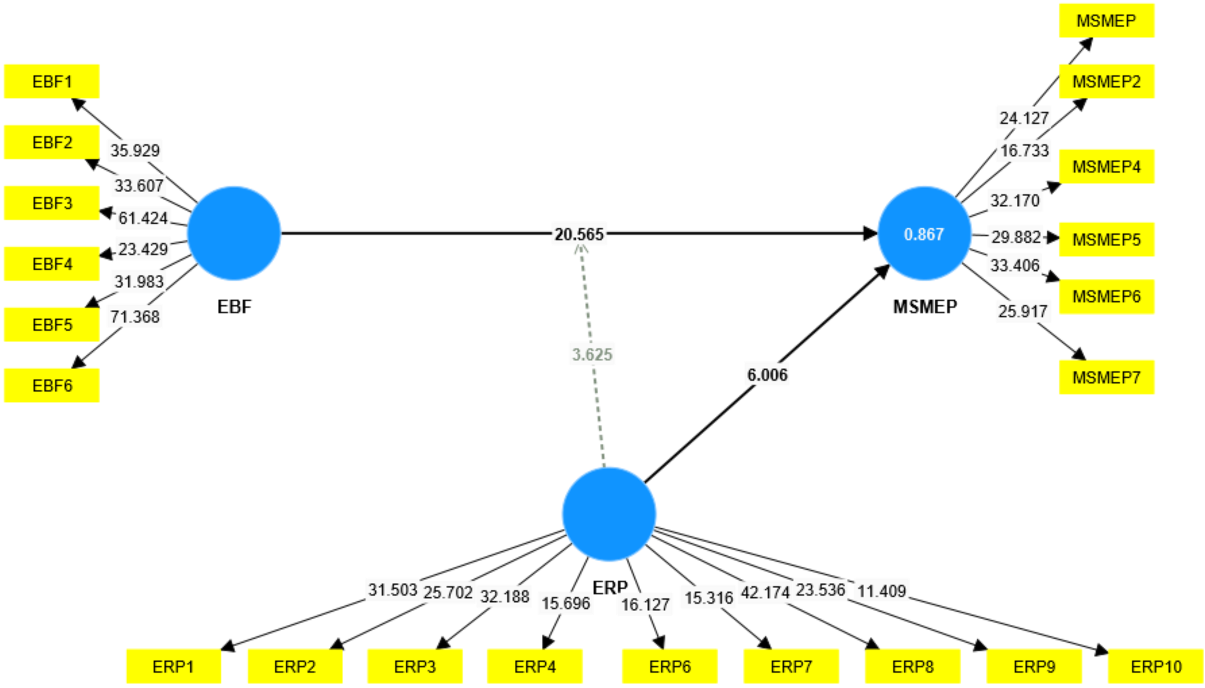


Figure 2 presents the bootstrapping results illustrating the direct relationships between the study independent and dependent variables, thereby providing evidence for hypothesis testing. The outcomes of these tests are summarized in Table 4, which details the statistical significance of each hypothesized relationship.

	Original Sample	T Statistics	P Values
EBF-MSMEP	0.751	20.565	0.000
ER x EBF-MSMEP	0.072	3.625	0.000

Source:

Table 4 show the bootstrapping procedure for testing the hypotheses and evaluate the significance between constructs (Henseler et al. 2015). The table further elucidates that all constructs in the model are with a critical value of 1.96 for the two-tailed test at significant level $p < 0.05$. Therefore, it supports the following hypotheses: Table 4 summarizes the assessment of the relationship between the constructs (endogenous and exogenous). Table 4 summarizes the assessment of the relationship between the constructs (endogenous and exogenous). Results recapitulate that:

Interpretation

The Original Sample value of 0.751 reflects the magnitude of the observed effect or relationship. The corresponding T-Statistic of 20.565 indicates how far the observed effect deviates from the null hypothesis in terms of standard deviations; a high value here implies strong statistical relevance. Furthermore, the P-value of 0.000 falls well below the conventional significance threshold of 0.05, confirming that the result is statistically significant. This provides compelling evidence to reject the null hypothesis, suggesting that the observed effect is unlikely to have occurred by random chance.

Interpretation of Interaction Term

The moderation effect size is represented by a value of 0.072, indicating a positive moderating influence of ER on the relationship between EBF and MSMEP. The T-Statistic of 3.625 shows that the interaction effect deviates significantly from zero, suggesting that the moderating role of ER is statistically meaningful. Additionally, the P-value of 0.000, which is well below the standard threshold of 0.05, confirms the statistical significance of this effect. These findings collectively indicate that ER has a notable and statistically supported impact in moderating the relationship between EBF and MSMEP. Moderation Effect: The positive Original Sample value (0.072) suggests that as the moderating variable ER increases, the strength or direction of the relationship between EBF and MSMEP is positively influenced. The specific nature of this effect would need further exploration to understand the practical implications fully.

Conclusion and Recommendations

Conclusion

Entrepreneurial resilience (ER) plays a critical role in moderating the relationship between economic business factors (EBF) and the performance of micro, small, and medium enterprises (MSMEs). The analysis reveals a significant interaction effect, suggesting that ER positively influences how EBF impacts MSME performance. The substantial effect of ER indicates that MSME performance is not solely determined by economic factors but is also significantly shaped by the resilience of entrepreneurs. This means that while EBFs provide essential conditions and opportunities, the effectiveness with which these factors translate into improved performance depends on the entrepreneur's ability to navigate challenges and adapt to changing conditions. The positive moderation effect of ER implies that higher levels of resilience amplify the impact of economic factors on MSME performance. Entrepreneurs with greater resilience are better equipped to leverage favourable economic conditions and mitigate adverse ones, thereby enhancing overall performance. This highlights the importance of fostering resilience among entrepreneurs to maximize the benefits of economic factors. Furthermore, the statistical significance of this moderation effect underscores that ER is a crucial variable in understanding MSME performance dynamics. As resilience increases, the relationship between EBF and performance becomes more robust, suggesting that supporting entrepreneurs in developing resilience could be a key strategy for improving MSME outcomes.

Recommendations

Given the significant moderating effect of entrepreneurial resilience (ER) on the relationship between economic business factors (EBF) and MSME performance, several recommendations emerge to optimize MSME outcomes.

1. Develop Resilience Training Programs: Implement training programs focused on building resilience among entrepreneurs. These programs should address skills such as adaptive problem-solving, stress management, and strategic thinking. By enhancing these capabilities, entrepreneurs can better navigate economic challenges and leverage opportunities, thereby improving MSME performance.

2. Provide Resilience Support Systems: Establish support systems that offer mentoring, networking opportunities, and psychological support. Resilience is not only an individual trait but also supported by external resources. Providing access to experienced mentors and peer networks can

help entrepreneurs build confidence and resilience, fostering a more robust response to economic fluctuations.

3. Embedding Resilience in Strategic Planning:
MSMEs should be encouraged to embed resilience-focused strategies within their formal business planning processes. This includes formulating contingency frameworks to manage periods of economic instability, expanding income sources, and fostering operational agility. Such a resilience-informed approach equips MSMEs to respond more effectively to evolving market dynamics.

4. Policy-Level Interventions for Strengthening Resilience:
There is a critical need for policy frameworks that actively promote resilience-building among MSMEs. Government bodies and development institutions should consider offering financial incentives such as grants or subsidies aimed at resilience training and development. Furthermore, policy provisions that improve access to psychological counselling and business advisory services would further reinforce entrepreneurial adaptability and stability.

5. Advancing Scholarly Inquiry on Resilience Drivers:
Further empirical research should be conducted to uncover the specific pathways through which resilience enhances the performance of MSMEs. By deepening our understanding of these mechanisms, interventions can be better designed to suit the realities of small business environments and ensure more targeted and effective support systems. Collectively, these strategies can enable MSMEs to more successfully leverage economic conditions and foster improved outcomes through sustained entrepreneurial resilience.

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