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Pricing Strategy and its effects on the performance of (MSMEs) Micro, Small and Medium Enterprises in Nigeria

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Abstract

Pricing strategy was considered as one of the most innovative and cost-effective entrepreneurial marketing approaches that MSMEs can use to improve their business performance. This is because pricing technique can which is effective can assist organizations in selecting a process which will allows them to maximize earnings and shareholder value while also considering consumer and market demand. The study looked at how pricing strategy affected MSMEs performance in Nigeria. The study used descriptive and inferential survey research method. The study's population was 8,530, where stratified random sampling techniques was used to select 368 MSMEs. Data was collected through the use questionnaire distributed to the respondents. This study thus supported the alternate hypothesis which states that pricing strategy has a positive and significant effect on MSMEs' performance in Nigeria. It was therefore concluded that pricing strategy can improve organizational performance through a good pricing strategy and a thorough pricing objective of a firm by considering consumers demand, competitors, and other internal factors such as costs incurred, and profit maximization which are critical component in a competitive environment over other rivals who are also into the business, resulting in improved organizational performance. As a result, the study recommends that MSMEs' managers or owners need to implement a marketing strategy in order to achieve superior market performance. The study also recommend that pricing policies should be in accordance with other firms pricing strategy.

Keywords: Pricing Strategy, Micro, Small and Medium, Enterprises, Performance

1.0 Introduction

In today's global economy, micro, small, and medium-sized enterprises (MSMEs) are the foundation and catalyst for growth, development, and employment, and they

contribute significantly to a country's GDP growth. MSMEs contribute to the growth and development of any nation across the globe which resulted in improving a country's economic and social setting by stimulating into large-scale employment, investment, development of indigenous skills and technology through the promotion of entrepreneurship and innovation, capable of enhancing job creation at various levels (Njan and Karugu, 2014; KNBS, 2016).
Furthermore, MSMEs form a supply chain for local and multinational companies by creating a more resilient, diversified economy with more private sector participation, driving innovation and home-grown entrepreneurs who can compete globally in order to achieve growth and development through enhancing their income levels (Republic of Kenya 2020).

In Nigeria today, MSMEs has been considered as the catalyst for economic growth and development through employment generation, poverty reduction and innovation in the formal and non-formal setting. Osano (2019), said that Nigeria's SMEs are targeting to attend the Vision 2030, which they can play crucial role in growth and development of the country through job creation and reduction of poverty. KNBS (2016) examines how MSMEs play a key role in Kenya's growth and development in terms of job creation and the increase in income level for the country's population, and concludes that the MSME sector employs significantly more than the formal sectors does. The informal sector approximately employed 14.9 million which is about 83% of the country's population.
However, despite their contribution to the country's GDP and previous policy initiatives implemented by the government at all levels to accelerate growth and development, MSMEs continue to face constraints that limit their performance and survival.

MSMEs rely heavily on entrepreneurial marketing to ensure their survival and success. According to Kraus, Harm, and Fink (2010), entrepreneurial marketing is an organizational function and set of processes for creating, communicating, and delivering value to customers, as well as managing customer relationships in a way that benefits the organization and its stakeholders, and is distinguished through innovation and proactiveness. Furthermore, businesses in the environment face with increasing high risk as a result of fluctuations in the environment where they operate. The economic and technological development is also necessary where MSMEs can survive and improve their performance. Therefore, for MSMEs to effectively perform their fundamental roles, a good and sustainability strategies must be put in place in order to have positive and effective performance (sven, et al.,2023).

1.1 Problem Statement

Micro, small, and medium-sized enterprises (MSMEs) has been considered as engine room for economic growth and development all over the world (Osano, 2019). But, in spite the socioeconomic development and the policies put in by governments at all levels around the globe to the growth and survival of MSMEs, it continues to face challenges that hinder its growth and development. Prior to 2019, Nigeria had 41.5 million micro, small, and medium enterprises (MSMEs), but this figure had dropped to 39.6 million, according to a survey conducted by the Small and Medium Enterprises Development Agency in Nigeria (SMEDAN) and the National Bureau of

Statistics (NBS). This indicates that nearly two million MSMEs shut down between 2019 and 2023.

According to previous data, MSMEs in Nigeria lack effective marketing practices, with micro (57.3%), small (38.1%), and medium (32.8%) establishments failing to market their products or services (NBS, 2024). Furthermore, the changing competition at the marketing and operating environments made it very difficult for micro, small, and medium-sized businesses to thrive (Olannye & Eromafuru, 2016). Also, Nafuna et al. (2019) stated that MSMEs can effectively carry out their role effectively if appropriate entrepreneurial marketing practice like effective pricing strategy will be develop and implemented to improve their performance. Previous studies have shown that there is paucity of work on the subject area which necessitate the need to carry out this study.

Objective of the Study

The purpose of this study is to examine the effect of pricing strategy on MSMEs performance in Nigeria

Conceptual Issues

Effective pricing strategies have been shown to improve organizational performance as well as customer satisfaction. Price is the amount a customer pays for a product or service provided to them. So, in monetary terms, a customer is willing to pay for the exchange of a product or service that meets his or her requirements. Beesley (2012) defined price as the actual value of a product or service expressed in Naira, the amount of money required to obtain the product or service, and the benefit or utility that comes with it. Thus, pricing is the method used by a company to determine the selling prices for its products or services.

Effective pricing strategy is a core competency which should determine a firm's performance in the achievement of organizational business goals by ensuring the satisfaction of their customer through the value of a product or service offered in comparison to their competitors (Sven et al., 2023). An organizations pricing strategy should be able to direct the behaviour of its customers through appropriate market communication its market related activities. A company's pricing strategies should must also have a reliable data bank that can be retained for future use. As a result, organizations should be able to evaluate key areas and make decisions based on the findings of the investigation carried out, and compare with activities of the organization in order to be able to look the functional policies and structures, either it is simple, adoptive, reactive or difficult for a firm to adopt and remain competitive in the business. Therefore, when trying to develop pricing strategies, MSMEs should try to consider ways which may likely be significant in making pricing decisions as it is shown in tale 1 below.

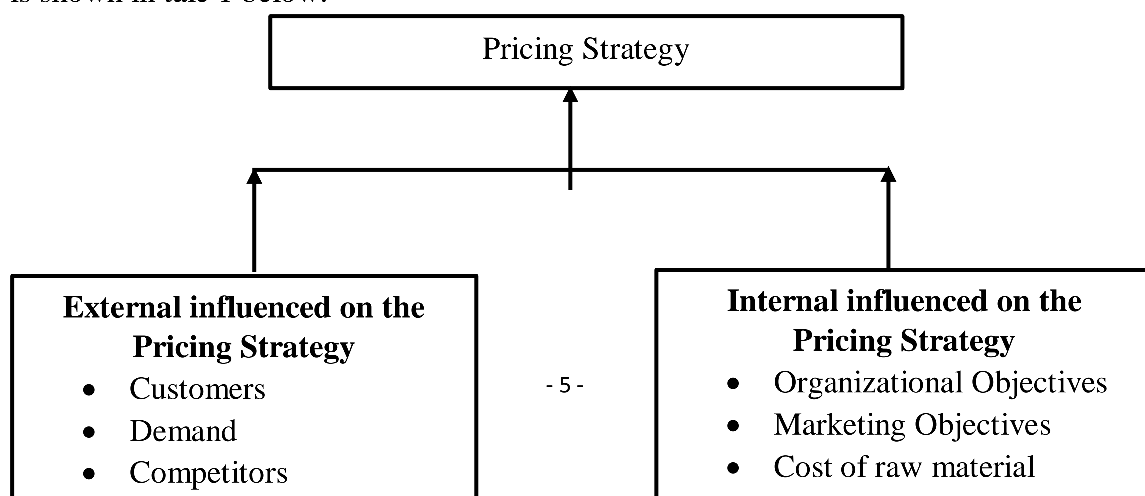
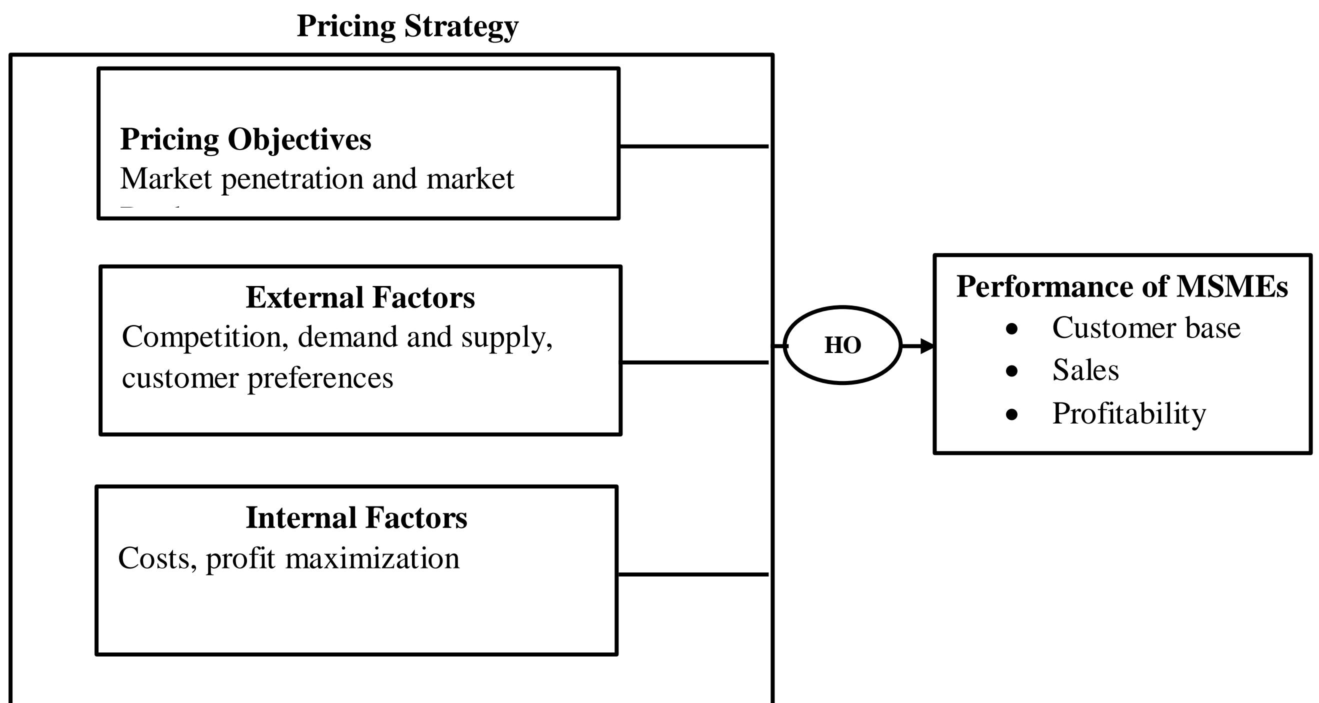


Fig.1: External and Internal influences of Pricing Strategy
Adapted from: Brassington and Pettit (2013)

For the purpose of this study, pricing strategy was operationalized to include pricing objectives which are market penetration and market development, and the external factors are competition, demand and supply, and customer preferences, while internal factors are costs and profit maximization with the hypothesis which state that there is no significant effect of pricing strategy on MSMEs performance in Nigeria where performance which is the dependent variable have variables as customer base, sales, and profitability as it is shown in table 2 below.



2.0 Empirical Review

Sije & Okolo (2015) conducted research on the impact of penetration pricing strategy on MSMEs performance in Kenya. Their research sought to investigate how penetration pricing strategies affect MSMEs performance. The population of the study consisted of staff members of some selected food and beverage industries in Kenya. The study used stratified random sampling technique to select staff members of some MSMEs, and questionnaire was used as the instrument for data collection. Findings revealed a positive strong relationship exist between penetration pricing strategy MSMEs performance. It was therefore concluded that entrepreneurs need to focus more on penetration pricing strategy because it have a significant level of impact on customers.

Cant, Jan & Catherine (2016) conducted study on “Key factors influencing pricing strategies for small businesses (SMEs): Are they important?" Their study objective were to look into the ways or factors that (MSMEs) put into consideration when their developing pricing strategy. The study used primary source to gather data from South African MSMEs. 88 questionnaires were distributed to the MSMEs to collect relevant data on factors considered when determining prices. Data was analysed through the use of frequency table to see the level of their response in order to determine the actual problem. Findings revealed that MSME's agreed price setting is been influenced by competitors information as well as macro-economic variables such as consumers purchasing power, and the general level of inflation.

Jangeta et al. (2015) conducted a study to investigate the relationship between strategic pricing and firm performance in Zimbabwe, using various business perspectives, such as profit maximization, sales maximization, customer satisfaction, survival, price differentiation, and cost coverage. Data was collected through a questionnaire approach method. Result of the finding revealed that significant and positive relationship exist between strategic pricing and firm performance.

Nafuna et al. (2019) investigated pricing strategy on financial performance, mediating role Private Primary Schools in Uganda. The population of the study is the 184 private primary school projects in Kampala's Rubaga Division, Urban Council, in 2017. Cross-sectional descriptive and analytical research design was used. The findings of the study revealed that correlation analysis indicate a positive and significant relationship exist between pricing strategy and financial performance as revealed by the correlation coefficient ($r=.554$, $p<.5$). This indicate that pricing strategy, which includes cost, competitiveness, and perceived value, has positive and significant effect on the financial performance of private primary schools in Uganda. This also showed that pricing strategy is also associated with poor financial performance in some private schools. regression model's predictive power was 30.3% and (Adjusted R square =.303), which revealed also that pricing strategy accounted for 30.3% of the variation of private primary schools financial performance in Uganda.

Theoretical Framework

This study was guided by systems theory propounded by Hartman's (2010) which said that entrepreneurs can use internal and external organizational dynamics as a tool for analysing their performance. He also advocated for organizations to have an inputs and outputs as a processing mechanism with internal and external systems and subsystems that will be useful in providing a functional overview of any organization. Smit and Cronje (2011) in their view defined a system as a collection of parts that work together to achieve a common goal. When a component in a system is remove, it will change the nature of the system. One of the effects of systems theory in management is that owners look at the organization from a broader perspective and it does not recognizes the various parts of the organization, and in particular their interrelationship (Rue and Byars, 2018).

According to this theory, pricing strategy can be influence by the interaction and interdependent components of the internal and external factors (Jangeta et al. 2015). The extent to these components overlap indicates the level of influence each have over one another in the overall performance of the business. This demonstrates the

importance of this theory in identifying how MSMEs can make decision on pricing strategy and take advantage over their rivals in the business world.

3.0 Methodology

This research was guided by positivism research philosophy, and descriptive research design was used. Population of the study was 8,530 and study's sample size was determined using stratified and random sampling techniques. To determine the sample size, Krekcie and Morgan (1970) sample size table was used in determining the sample size for this study.

$S = x^2NP (1-P) \div d2 (N-1) + x^2p (1-P)$.
S = required sample size,
N = the population size
X2 = the table value
P = the population proportion
d = the degree of accuracy expressed as (.50).

Therefore, the study sample size was 368 MSMEs based on the population 8530, at 95% confidence level and 5% error term with a response distribution rate of 50%. The data collection method was gathered through the use questionnaires. The study conducted a reliability test to make sure that the questionnaires are structured in line with the research objective where a pilot study with 37 questionnaires was conducted, and a validity test was also conducted using Cronbach's alpha coefficient for content validity. The researcher also sought expert advice from university professors, peers, and professional's organizations with knowledge of MSMEs.

Data collection

For accuracy, the data collected was processed via editing and coding before they were analyse Quantitative analyses was done through content analysis where data collected was analysed using descriptive and inferential statistics. The tool use for the analysis include frequency distributions, mean values, and measures of dispersion for descriptive, while the the tools used for the inferential statistics are t-test, multiple regression analysis, Karl-Pearson correlation coefficient, and f-test.

4.0 Analysis and Results

To compare the independent variable which is pricing strategy and the dependent variable MSMEs performance, t-test was used and majority of the entrepreneurs are satisfied with the characteristics to be within 30% to 5% of their true values (Saunders et al. 2012). This therefore showed that there is a high level of acceptance showing $^{+}/_{-5\%}$ and a confidence level of 95%. The decision level was, reject null hypothesis if $P<0.05$. The Karl Pearson correlation coefficient was also used to determine the strength and direction of correlation between the independent and dependent variables. Anova regression analysis was used to determine the effect of pricing strategy (independent variable) on the performance of MSMEs (dependent variable) in Nigeria. Below is the model for regression analysis;

$Y = ß_0+ß_1+X_1+E$ where:
Y = MSMEs performance
X_1 = Pricing strategy
$ß_0$ = Constant

β_1 = Regression coefficient
e = error term

Results and Discussion

Price refers to the actual amount that the end user of a product or service is willing to pay for it. How a product is priced has direct impact on its organization because it is based on how customers perceived value of the product or service rather than an objective costing of the product offered. If the price is above or below the value it was perceived, it means customers will not buy. As a result, an effective pricing strategy serve as a core competency that has been shown to improve organizational performance.

Table 1: Pricing Strategy as a Marketing Tool

Factor	Do you use pricing strategy as a tool for business?				
Respondents	Yes	%	No	%	Total
	217	72	85	28	302

Source: Field Survey, 2024

From the table above, it shows that 72% of the respondents' .used marketing tool when setting pricing strategy and 28% said that they don't use marketing tool when setting their pricing strategy. This indicate that marketing tool serve as a vital weapon when setting price in an organization. They were also asked to indicate the key factors they considered when setting prices for their products or service and their views were indicated in Figure 3 below.

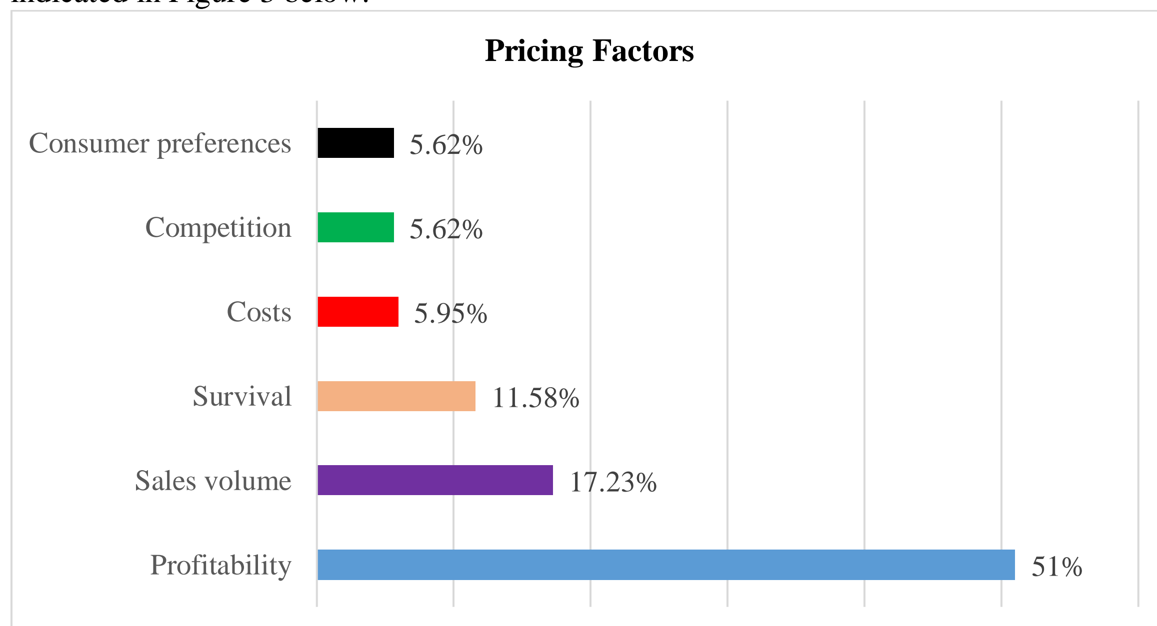


Fig.3: Factors influencing Pricing Decisions

According to the results in the table above, profitability have 51% showing the highest and it means is the most important factor, while competition and consumer preferences have 5.62% respectively which is the lowest. The results in table 1 show that the majority of MSMEs owners and managers in Nigeria viewed pricing as a strategic marketing tool, with 72% agreeing that they used pricing as a marketing tool

whose primary goal was to demonstrate that the firm performed better in terms of profitability.
Furthermore, respondents were asked whether they used pricing strategy in the last three year and 67.57% of the respondents said that it increase their performance, 18.1% said that their performance remain the same no changes, also 14.33% said that their performance decrease which shows that pricing strategy is not helping them in the business.

Table 2: pricing strategy and perceived firm performance in the last three years

Factors	Do you use pricing strategy as a marketing tool for business?		
		Yes	**%**
Which one of this best describes your firm performance in the last (3) years	Increasing	145	67.57%
	Remained the same	39	18.1%
	Decreasing	32	14.33%
Total		**216**	**100.00**

Source: Field Survey, 2024

Respondents were asked to relate how pricing strategy has an effect on the various performance indicators as stated in the conceptual framework using a Likert scale rating of 1= SD – Strongly Disagree, D- Disagree, N-Neutral, A-Agree and AS-Strongly Agree as it is shown in the table below, which the mean results indicated 3.46 as the lowest in respondent's opinion on statement relating to pricing strategy and MSMEs performance. The rating for means indicated 3.544 which shows that the respondents agreed that pricing strategy was an effective marketing tool which determine MSMEs performance. Also, the rating for standard deviation shows 1.295, indicating the difference of responses was insignificant.

Results of the respondent's shows that 68% agreed that competitor's price help to improves sales volumes of products and services. Also, MSMEs owners agreed that 67% of market penetration and market development affected the decisions of MSMEs performance and this shows that any enterprises that deploy a good competitive pricing strategy will attain high performance compare to those that neglected it. 71.0% of the respondent agree that pricing strategy increase the volume of their sales, 67.0% agree that one of biggest outcome of pricing strategy is profitability which organization always hope to achieve. Also, 63.0% of the respondents agreed that pricing a products or services properly played a significant role in attracting customer, and finally 69% of the respondents concurred that an effective pricing strategy.

Table 3: Pricing Strategy and MSMEs Performance

Code	**Pricing Strategy**	**SD %**	**D %**	**N %**	**A %**	**SA %**	**Mean**	**Std. Deviation**
PS1	Competitive price improves sales volumes of products and services	14	3	15	45	23	3.61	1.26
PS2	organizational costs significantly influences pricing decisions and its profit	13	7	17	43	21	3.52	1.249

PS3	Market penetration and market development affect pricing decisions of MSMEs performance	15	9	10	45	22	3.50	1.324
PS4	Customers significantly influences pricing decisions of products or services	14	7	16	41	22	3.49	1.301
PS5	Demand and supply forces in the market affect pricing decision	15	7	11	47	21	3.53	1.298
PS6	Profit maximization influences firm's pricing decisions	13	8	12	45	22	3.55	1.277
PS7	pricing strategy always influence firm's sales volume	14	8	8	47	24	3.6	1.305
PS8	Proper products or service pricing attract new and existing customers	18	5	13	40	23	3.46	1.378
PS9	Profitability seems to be the biggest positive outcome of pricing strategy	14	5	13	44	23	3.58	1.286
PS10	Strong correlation exist between pricing strategy and MSMEs performance	13	8	11	45	24	3.6	1.274
	Overall						3.544	1.295

KEY: SD – Strongly Disagree; D- Disagree; N – Neutral; A – Agree; SA – Strongly Agree.

Pricing Strategy Analysis

Analysis is an essential because it help to generate data for each variable being studied. The data was subjected to principal composite analysis which help to look for any correlation elements in order to reduce data that was found not to be important. Sample adequacy was determined using the Kaiser Meyer - Olkin measure of sample adequacy (KMO) for each independent variable, with a decision level accepted if KMO > 0.7 (Cerny & Kaiser, 1977).

Pricing indicators showed that the sample was adequate, as the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) was 0.950, which was greater than the threshold of 0.7. The total variance extracted from the pricing strategy accounted for 76.228%, or more than 70% of the total variance. Thus, the statements related to the variable explained the variations in the factor.

Table 4: Factor Analysis on Pricing Strategy

S/No.	Pricing Strategy	Factor Loading
1.	Competitive price improves sales volumes of products and services	0.852
2.	Organizational costs significantly influences pricing decisions and its profit	0.901
3.	Market penetration and market development affect pricing decisions of MSMEs performance	0.850
4.	Customers significantly influences pricing decisions products or services	0.858
5.	Demand and supply forces in the market affect pricing decision	0.875
6.	Profit maximization influences firm's pricing decisions	0.866
7.	Pricing strategy always influence firm's sales volumes	0.856

8.	Proper products or services pricing attract new and existing customers	0.873
9.	Profitability seems to be the biggest positive outcome of pricing strategy	0.904
10.	Strong correlation exist between pricing strategy and MSMEs performance	0.891

KMO = 0.950; Bartletts P<0.05; Total Variance extracted = 76.228%

Hypothesis Testing

H0: Pricing strategy have no significant effect on MSMEs performance in Nigeria.

Pearson's correlation coefficient was used to measure the strength of relationship between the variables under study which is pricing strategy on MSMEs' performance, and the results below indicate that strong and positive relationship exist with a correlation of (0.627) between pricing strategy and MSMEs' performance in Nigeria, and the p-value of 0.000 <0.05 indicating significant and positive relationship exist between the variables. This suggests that pricing strategy have significant impact on the MSMEs in Nigeria performance. As a result, it was determined that increase in profit leads to a firm performance.

Table 5: Pearson's Correlation between Pricing Strategy and MSMEs Performance in Nigeria

	Performance		Pricing Strategy
Performance	Pearson Correlation	1	.627*
	Sig. (2-tailed)		.000
	N	302	302
Pricing Strategy	Pearson Correlation	.627*	1
	Sig. (2-tailed)	.000	
	N	302	302

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

The result shown in table 6 below is the amount of variation of the dependent variable that is attributed to the independent variable where the R square was computed. From the results presented, it shows that the R square =0.393 which indicated that 39.3% of the variation in performance can be explain by the changes in pricing strategy leaving 60.7% unaccounted for.

Table 6: Pricing Strategy Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.627[a]	.393	.391	.80678378

a. Predictors (constant), pricing strategy

The result of the ANOVA test showed a significant relationship between pricing strategy and MSMEs performance where table 7 below showed a p-value of 0.000<0.05. Therefore it was concluded that model of pricing strategy and MSMEs performance are very significant.

Table 7: ANOVA Regression Results between Pricing Strategy and Performance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	127.654	1	127.654	195.633	.000[b]
Residual	196.283	300	.651		
Total	**323.937**	**301**			

a. Dependent variable: performance
b. Predictors: (Constant), Pricing Strategy

Regression results for pricing strategy was positive and significant (ß = 0.621, p-value 0.000<.05), and was summarized as y = 0.120+0.621X1. Since ß = 0.621, it is possible to conclude that a one-unit increase in price will also increase performance by 0.621 units while all other variables remain the same. This indicate that the independent variable which is pricing strategy remains significant.

Alternate hypothesis which is pricing strategy have positive and significant effect on the MSMEs performance in Nigeria and it was concluded that pricing strategy has a significant impact on MSMEs performance in Nigeria.

Table 8: Regression Coefficients of Pricing Strategy and Performance of MSMEs

Model	Unstandardized Coefficient		Standardized Coefficient		
	ß	Std. error	Beta	T	Sig.
1 (constant)	.130	.050		2.610	.015
Pricing **Strategy**	.621	.044	.627	12.841	.000

a. Dependent variable: performance

Discussion of Findings

Pricing strategy have positive and significant effect on the MSMEs performance in Nigeria, this was indicated by the regression analysis where (ß = 0.621, sig value = 0.000, p < 0.05). The correlation coefficient showed (r=0.627, p-value = 0.000) which revealed a positive and significant relationship exist between the independent variable and the dependent variable. Furthermore, the alternate hypothesis was also supported which indicate that pricing strategy has positive and significant effect on the MSMEs performance in Nigeria.

Findings of this study are consistent with those of Cant et al. (2016), who discovered that pricing strategy has significant effect on the performance of small and medium enterprises businesses (SMEs) performance in South Africa. The findings are also consistent with those of Nafuna et al. (2019), who discovered that pricing strategy which include dimensions such as cost of products or services, competitiveness, and perceived value, which positively serve as an influence on the financial performance of private primary schools in Uganda. Sije and Oloko (2013) found that the penetration pricing strategy have significant effect on the number of customers, there loyalty, quality of products and services, which lead to the firms performance.

Jangeta et al. (2015) conducted a study on pricing strategy and firm success in Zimbabwe focusing on SMEs and discovered that a correlation exist between pricing strategy and firm performance. Furthermore, this study supported the work of Hartman (2010), who developed the systems theory which attempts to provide entrepreneurs with tools for analysing internal and external organizational dynamics

for critical business decisions and functions, which include market structure, Price as a key marketing tool, where the systems theory provides a very important issue through which firm owners can view all the relevant pricing factors such as profitability, costs, demand and supply competition, and consumer preferences to enhance their competitive advantage.

5.0 Conclusion

The study found that pricing strategy can improve organizational performance. According to the study, organizations can use pricing strategy based on a wide evaluation of a firm's pricing objectives, consumers (target market), demand and supply, competition, and other internal factors such as costs incurred, as this is critical in establishing and maintaining a competitive advantage over other market competitors, resulting in improved firm performance.

Recommendations

This study recommended to MSMEs' owners and managers to implement a good pricing strategy if they want to achieve high performance in their business and satisfy their customers' needs. To maximize the benefits of their business, setting price for their products should be made in accordance with their competitors, which will reflect the expected outcomes of their decision.

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The Effect of Credit Risk on the Performance of Deposit Money Banks in Nigeria

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ABSTRACT

This research examined how credit risk affected Nigerian deposit money banks' operating outcomes from 1986 to 2021. The study focused on how money supply affects Nigerian bank efficiency. It examined how lending rates, liquidity rates, and non-performing loans affect Nigerian banks and the firm as a whole. Money Supply, Lending Rate, Liquidity Ratio, and Non-Performing Loan are independent variables, while Return on Equity is the dependent variable. There was no statistically significant association between ROE and lending ratio or non-performing loans, although liquidity rate and money supply positively affected ROE. This suggests that credit risk indexes affect Nigerian banks cyclically. Therefore, the Nigerian government should intervene to maximise bank efficiency. The government could start by raising deposit rates and reducing bank lending. The government's monetary policy agency should also track money supply. Regulators should prohibit nonperforming loans since they indicate bank failure.

Keynotes: Return on Equity, Money Supply, Lending Rate, Liquidity Ratio and Non-Performing Loan

1.0 Introduction

Loan creation rates greatly impact a nation's productivity (Afriyie & Akotey, 2011). A bank's main purpose is to profitably and efficiently move cash from surplus to deficit, ensuring the economy's long-term survival. Commercial banks make most of their money from loan and advance interest. However, lending money exposes financial institutions to credit and liquidity risks (Kargi, 2011). Bank loan default risk. According to Iwedi and Onuegbu (2014), the Basel Committee on Banking Supervision (BCBS) defines credit risk as the likelihood that a bank borrower will not meet its obligations or that the bank will lose part or all of its loan due to credit events. Poor loan management hurts banks' profitability and may cause distress or collapse, according to Osuka and Amako (2015). Banking is vital to economic growth because it pools cash from surplus sources and lends them to deficit ones. According to Kajola, Olabisi, Adedeji, and Babatolu (2018), timely loan and advance repayment encourages present and new clients to borrow more. In finance, banks connect borrowers and lenders. Businesses and individuals may lend short-term finances to people in need (Uwuigbe, 2013; Drigă, 2012). Non-performing loans, particularly unrecoverable ones, threaten financial institutions' stability and development. Data loss may hinder banks' ambitions and cause other issues. Banks' lending to the

population to boost productivity affects a nation's economic development and sustainability (Kolapo et al., 2012). Financial institutions may recognise the need to detect, evaluate, monitor, and manage credit risk. They also value proper compensation for taking such risks and having enough money to avoid them. Banks worldwide desire to earn money (Bhattarai, 2016; Sibor, Omankhanlen, Chima, Komolafe, & Okereke, 2021).

The Nigerian banking system has many financial intermediation operations and is subject to several government agency laws, which may explain bank distresses and failures (Altanashat, Dubai & Alhety, 2019). Financial institutions must strategically realign operations to achieve excellence, according to Tasmin, Muazu, Aziati, and Zohadi (2020). This is needed to constantly meet stakeholder requirements and environmental problems. Bad loans continued growing despite the Central Bank of Nigeria (CBN)'s efforts to strengthen Nigeria's banking institutions. Both positive and negative research has linked credit risk to bank performance. However, how credit risk management might effect Nigeria's money deposit banks' market performance is unknown. Adeusi and Dada (2017) and Ndifon, Inah, and Ebong (2014) are two of several studies that indicate a link. However, Jamil and Omar (2021) and Ajayi and Ajayi (2017) found a negative association. However, banking credit risk management is notoriously complicated and unpredictable. Banks lend money to individuals, businesses, and governments to boost investment and economic development. However, low-quality assets and many NPLs may cause loan defaults. Loan defaults cause banks to lose money and become less lucrative, which hurts deposit money institutions and diminishes economic efficiency. This research focuses on how credit risk impacts Nigeria's deposit money institutions' profitability. The study's objectives include analysing Nigeria's money supply, lending rates, non-performing loans, and liquidity rates on bank performance.

2.0 Literature Review

Concept of Credit Risk Management

A popular definition of credit risk is the risk of default or market value loss due to issuer or counterparty creditworthiness deterioration. Credit risk is the danger that a financial organisation would lose money due to consumers' failure to repay loans on time (Duffie & Singleton, 2003). Credit risk management is crucial to banking. It entails monitoring borrowers for indicators of loan default and taking action to avoid it. Many internal and external factors might cause credit risk. Credit risk is caused by several issues, according to study. Imprudent lending, poor credit assessment, no loan concentration limits for different sectors, low collateral values, and excessive loan sanctioning powers granted to bank executives without proper checks and balances contributed to the financial crisis. The credit risk tolerated by industries and nations varies widely.

Money Supply

The money supply, also known as the money stock, is the total quantity of monetary assets in an economy at a given time. Consider intangibles like credit and loans. The entire amount of cash in an economy is called its "money supply". Printing money,

bank deposits, and other liquid assets are all considered "circulating money." In many nations, the government or central bank tracks and releases money supply statistics. Public and commercial analysts watch money supply changes because they affect economic indicators including the price level, inflation, exchange rate, and business cycle (Taylor, 2004). The contemporary monetary authority prioritises full employment, continuous production, low prices, and a constant cost of living. Epstein and Heintz (2006) emphasise that technology advances and people's attitudes towards saving, working, and taking risks predict long-term price stability. Monetary policy affects output, inflation, commercial bank loan advances, product pricing, currency rates, consumption, asset prices, and investment possibilities. Anyway, Nigeria's central bank.

Lending Rate

Banks assist people and companies satisfy their current and future financial responsibilities (Mbat, 2006). Banks provide short-, intermediate-, and long-term loans. Bank loans fall into two categories: private and government. Government financing is unsuccessful at promoting economic development due to waste and politically driven programmes that may not give the greatest results, according to experiments. Boyreau-Debray (2003) and Crowly (2005) corroborate this. Beck, Demirguc-Kunt, and Levine (2005) found that private lending influences economic development more than governmental funding. Since this is true, this research will focus on how bank lending has affected the private sector. Lending rates influence banking performance due to macroeconomic volatility. According to Ndungu and Ngugi (2000), lending rates impact and are affected by the macroeconomic climate. Macroeconomic instability causes a chain reaction that increases uncertainty and lowers borrower creditworthiness. Banks must demand a larger risk premium.

Liquidity Ratio

Cash injections, particularly deficit financing, boost the economy. However, removal may be difficult and expensive. The central bank's cash holdings and liquidity ratios are often seen as banking sector regulators. Even while these products reduce liquidity management stress, they cost banks money. The Central Banks of Nigeria's liquidity management tool is also affected by monetary and measurable factors. During reserve maintenance, the instrument must be measured and monitored. This will keep the target monetary aggregate close to the base. The Central Bank of Nigeria (CBN) periodically monitors and maintains the banking industry, however late report submissions and scarce infrastructure limit these timeframes. Therefore, financial instruments are not being used as expected, despite their inflated levels. The Central Bank buys and sells securities in open market activities. These transactions affect bank reserves. The Central Bank's non-borrowed reserves rise and fall with securities purchases and sales. George et al. (2004) claim that open market operations, which include the Central bank swapping reserve assets, are the most effective, flexible, and precise monetary policy instrument.

Nonperforming Loan

Nigeria's banking system worried about non-performing loans 10 years ago. The high rate of non-performing loans in banks may be linked to inadequate credit

administration and risk management (Hamisu, 2011). Unprofessional loan disbursement by bank managements, typically prompted by personal relationships with customers, may contribute to Nigerian banks' high non-performing loan rate. Personal connections, not bank regulations, are used to approve loans for customers who don't meet the bank's requirements. Most of these loans will default. Banks may provide credit to late payers.

Bank's Performance

Bank performance is of interest to academics, management, supervisors, financial markets, and other stakeholders. All companies aim for profitability, which is linked to performance. Choosing a bank performance statistic relies on the study's goals. Academic literature discusses performance indicators including ROA, ROE, PAT, CIR, and NIM (Yuga, 2016). Thus, choosing the optimal performance metric is tough. Additionally, stakeholders that study the bank performance concept may reach different conclusions. Banking performance study has several viewpoints that may provide intriguing findings. This study focuses on profit after tax, a standard performance metric. PAT measures a bank's management's risk-taking to maximise profit.

Theoretical Review

Modern Portfolio Theory (MPT)

Modern Portfolio Theory began with Harry Markowitz in 1952. Maximising portfolio returns while managing risk is the objective. This is done by carefully distributing assets. Portfolio theory examines how asset values might be incorporated into varied investment portfolios. The comment underlines that increased profit frequently comes with higher risk. Bodie, Kane, and Marcus (1999) suggest strategic asset allocation may decrease or diversify asset risks. The approach ignores several concerns, such as how banks create loan portfolios to effectively split risk and maximise returns. In the paper, risk-free portfolio methods are not properly examined. The idea fails to account for the many risks banks face while managing their loan portfolios. Thus, the idea may not apply to financial institution credit risk management.

Asymmetry Theory

Three economists—George Akerlof, Michael Spence, and Joseph Stiglitz—developed the hypothesis in the early 1970s. Information asymmetry occurs when a borrower knows more about an investment project's pros and cons than a lender. Adverse selection and moral hazard may result from difficulty distinguishing between good and poor credit borrowers. These difficulties have caused many nonperforming loans in the banking industry. According to Auronen (2003), referenced by Richard (2011), one side to a transaction has an edge in negotiations if they know more about a trade item.

Theory of Multiple Lending

In 1944, Prochanow introduced this hypothesis. This idea suggests that deposit-taking commercial banks may be less likely to engage in loan syndication. The idea may be applied to mature stock markets after consolidation. When banks expand their lending

capacity via external stock or mergers and acquisitions, share lending diversification and control are less necessary. Deposit money institutions lend, hence the notion is important. Multiple lending requires deposit money institutions to evaluate their ability to lend before giving credit.

The Commercial Loan Theory

Harold G. Moulton introduced the hypothesis in 1915. The commercial loans theory (also known as the real bills doctrine hypothesis) was one of the first to discuss how banks do business. According to this theory (Hosna & Manzura, 2009), financial institutions should only provide self-liquidating short-term loans and commercial papers. Commercial loan theory informs bank lending and economic policy. This theory and its execution focus on liquidity to govern all economic activities. Financial institutions that depend largely on customer deposits may find short-term loans to be their best option due to their transience. This method inhibits the ability of banks with high reserves to issue medium- and long-term loans, such as those employed in the real estate and industrial sectors. Uneven economic growth results from relying on long-term funding for varied development. To place bank lending in its normal short-term framework, this idea must be accepted. This approach overlooks bank account stability when withdrawal requests, whether routine or unusual, are not promptly performed. Due to their stability, bank deposits may be utilised for long periods without affecting their liquidity. Despite its faults, numerous financial institutions worldwide adopt this theory's basic assumption of short-term lending and conduct strict banking operations evaluation and assessment systems. Thus, academics and banking professionals emphasise that understanding present banking practises requires a detailed study and appraisal of banks' historical history, particularly in relation to commercial lending theory.

Shiftability Theory

Harold G. Moulton introduced the hypothesis in 1915. When one bank lacks liquidity, its assets may be shifted to another with better resources (the "shiftability hypothesis") (Alshatti, 2014). Holding liquid marketable financial assets like government securities and self-liquidating bonds helps banks build their asset bases (Moti, Masinde, & Mugenda, 2012). This idea expands banking principles, not replacing commercial loans. Shiftability theory introduces additional banking assets to commercial loans theory. The shiftability hypothesis states that banks' liquidity depends on their ability to promptly sell or move assets at predictable prices (Nwaezeaku, 2006). According to Hosna and Manzura (2009), the shiftability theory guided banks to buy convertible assets to increase their asset base and ensure liquidity. Thus, restructuring affected financial organisations' strategic emphasis and daily operations. Academics and bankers that support the shiftability hypothesis say the commercial loans theory overemphasises liquidity. While individual banks may meet their liquidity requirements by selling assets, the shiftability hypothesis fails for the banking system as a whole.

The Anticipated Income Theory

In 1944, H.V. Prochanow offered this theory to explain why US commercial banks provide term loans. In 1949, Prochanow studied loans and bank assets and developed the "Anticipated Income Theory." As expected, Soyibo et al. (2004) focus on long-

term loans and advances. Afriyie and Akotey (2011) found that borrowers' capacity to repay banks is dependent on predicted profits rather than asset monetization or loan transfer/sale, contradicting the commercial loans idea. This outcome is true regardless of the borrower's personal or business characteristics. However, the Anticipated Income Hypothesis implies that financial institutions should lend to clients based on their expected profits rather than their present assets. The anticipated Income theory predicts financial help and banking services in a unique way. Kolapo et al. (2012) claim that this method emphasises the borrower's company and efforts' cash flows or expected profits. In response to Commercial Loan theory, the Anticipated Income concept emerged. It did not argue against the Shiftability or Capacity hypotheses. Instead, the Anticipated Income theory sought to refocus banks and banking professionals on the greatest loans for financial institutions. The concept that banks derive most of their money from secondary reserves was uncontested.

The Credit Risk Theory

Robert Merton proposed the idea in 1974. Credit risk theory states that lenders may have trouble collecting principle, interest, and other loan payments from borrowers (Louzis, et al., 2012). Financial issues that prohibit lenders from paying depositors interest and principal put them at danger. When borrowers default, non-performing loans may hurt lenders financially. As part of traditional lending, lenders examine credit and need loan insurance like mortgage insurance. Mortgage lenders may need personal or third-party guarantees to secure their investment. Thus, borrower risk affects loan interest rates, fees, and other expenditures.

2.0 Empirical Review

Fan and Yijun (2014) examined European commercial banks' 2007–2012 financial performance and credit risk management. We used descriptive statistics and least squares for our estimation. Careful credit risk management boosts commercial banks' profits. This study compares ROE and ROA using NPLR and CAR as credit risk management proxies. The study found that NPLR has a major impact on ROE and ROA but not CAR. Empirical research shows all proxy connections are unreliable and erratic.
Jamil and Omar (2021) examined UAE commercial banks' credit risk management and financial performance from 2013 to 2019. Research estimates were made using panel data. Return on assets, cost-to-income ratio, and non-performing loan ratio are significantly associated among UAE commercial banks. The relationship between banks' return on assets and capital, liquidity, or loans-to-deposits ratios is not substantial. These characteristics boost return on assets, but less, according to statistical analysis. Operating expenses and non-performing loans are the key variables affecting UAE commercial banks' financial performance. Thus, banks should carefully analyse loan or advance applications, considering the applicant's credit history. By examining applicants' finances, this project intends to reduce bad loans. Banks must adopt this culture to boost earnings and risk management.

Isanzu (2017) examined credit risk's impact on Chinese bank earnings from 2008 to 2014. Credit risk indicators included capital adequacy ratio, impaired loan reserve, nonperforming loans, and loan impairment costs. Company success was measured by return on assets. This study evaluated Chinese commercial banks' financial performance using a panel data regression model to assess how nonperforming loans

and capital sufficiency affect it. These studies show credit risk management boosts bank earnings.

Ndifon, Inah, and Ebong (2014) examined Nigerian bank default, credit, and liquidity risks. Questionnaires were used to enrol 80 people. The Pearson product-moment and chi-square correlation coefficients were evaluated. Empirical research links credit risk with liquidity. High credit risk, notably from non-performing loans, worsens illiquidity in a bank's loan portfolio. Bank failure is more probable with higher liquidity and credit risk. To recover consumer loans and interest, strict internal lending and credit monitoring standards are needed. Deposit money institutions should only hold cash as needed to ensure liquidity.

Ajayi and Ajayi (2017) examined how credit risk management affects Nigerian deposit money institutions from 2001 to 2015. The study was estimated using panel regression. Loan loss provision, non-performing loans, and cost-to-income ratios hurt bank profitability. Greater Loan-to-Asset Ratios improve bank performance. Loan and advance activities at Nigerian deposit money banks have grown. This success has led to increased consumer non-performing loans. Administrative costs were significant since loan loss reserves were near to the Basel Accord's 8% threshold. Credit management and professional banking standards must be prioritised by Nigerian banks.
According to Adeusi and Dada (2017), credit risk management substantially impacted Nigeria's deposit money banks' financial performance from 2001 to 2015. The research variables were calculated using panel regression. Research found that NPLR, LLPR, and INTR inversely linked with deposit money institutions' performance. Deposit money institutions lose money due to inflation and LTAR. Even after government and monetary authorities intervened, loan and advance defaults, often due by poor management, represent a credit risk to deposit money institutions. To reduce bad loan incidence, Nigerian deposit money institutions should prioritise credit risk management. A strong internal control system is essential for risk management and bank capital protection. If implemented, this will boost Nigerian deposit money banks' efficiency.

3.0 Research Methods

This study employed an empirical model that is built based on the modification of the model used in the study carried out by Jamil and Omar (2021). The model is expressed as;

ROE = f(BMS, LR, LQR, NPL)……………………………………….. 1

This model can, for simplicity, be stated in the econometric form of the equation as depicted below:

ROE = $\beta_0 + \beta_1 MS + \beta_2 LR + \beta_3 LQR + \beta_4 NPL + \mu$……………………… 2

where:

ROE = Return on Equity
MS = Money Supply
LR = Lending Rate
LQR = Liquidity Ratio
NPL = Non-Performing Loan

F = Functional Notation
μ = Error Term
β_0 = constant Parameterr
β_1-β_4 = Coefficients of Regression

4.0 Data Analysis and Interpretation

This research examined how credit risk impacts Nigerian deposit money banks' productivity and profitability. Researchers conducted empirical investigations to reach that conclusion. The Central Bank of Nigeria's statistics bulletin and numerous Nigerian deposit money institutions' annual reports contributed much of this study's data. The research lasted 35 years, from 1986 to 2021. This research examined data using panel regression with ordinary least squares. We choose the greatest effect result from pooled (ordinary) regression, fixed effects, and random effects analyses using the Hausman test. Return on equity (ROE) was the dependent variable, while money supply (MS), lending rate (LR), liquidity ratio, and non-performing loan were independent variables.

Regression Estimation Result
Dependent variable: LNROE

Variable	Coefficient	Std. Error	T-Statistic	Prob.
LNMS	0.159261	0.075747	2.102531	0.0369
LNLR	-0.402997	0.696011	-0.579009	0.5633
LNLQR	0.523345	0.470562	1.112172	0.2676
LNNPL	-0.156856	0.192353	-0.815458	0.4159
C	-4.944863	2.895012	-1.708063	0.0894
R-Squared	0.084195			
Adjusted R-Square	0.063262			
F-Statistics	4.022164			
Prob(F-Statistics)	0.003805			
Durbin-Watson Stat	1.566751			

Source: Author's Computation (2024)

The above table shows the relationship between LNMS, LNLR, LNLQR, and LNNPL, and the dependent variable LNROE.The value of the coefficient for the constant parameter was calculated to be -4.944863. This means that the ROE will decrease by -4.944863 units when all other factors are held constant (at zero). Money supply and return on equity are positively related, with a correlation of 0.159261, as would be expected from theory. This indicates that the rate of return on equity will grow by the same amount for each unit of change in the money supply. The coefficient between the loan rate and the return on equity was also measured, and it was found to be -0.402997, indicating a negative association. If the loan rate were to increase by one percentage point, the return on equity would fall by the same amount. Additionally, a significant connection (0.523345) was found between the liquidity ratio and return on equity. This suggests that a similar increase in return on equity may be anticipated for every change of one unit in the liquidity ratio. However, a -0.156856 coefficient was found to indicate a negative relationship between non-

performing loans and returns on equity. This shows that the return on equity would decrease by the same amount for each unit increase in non-performing loans.

Fixed Effect

Dependent variable: LNROE

Variable	Coefficient	Std. Error	T-Statistic	Prob.
LNMS	0.159261	0.072971	2.182522	0.0304
LNLR	-0.402997	0.670502	-0.601037	0.5486
LNLQR	0.523345	0.453315	1.154485	0.2499
LNNPL	-0.156856	2.788908	-1.773046	0.0780
C	-4.944863	2.788908	-1.773046	0.0780
Fixed effect (cross)				
Zenith-C	-4.944863			
Access-C	-4.944863			
Ecobank-C	-4.944863			
FBN-C	-4.944863			
FCMB-C	-4.944863			
Union-C	-4.944863			
R-Squared	0.174377			
Adjusted R-Squared	0.130668			
F-Statistics	3.989466			
Prob (F-Statistics)	0.000122			
Durbin-Watson Stat	1.737887			

Source: Author's Computation (2024)

The table above demonstrates LNROE's association with its independent variables (LNMS, LNLR, LNLQR, and LNNPL). If all other components are zero, a constant parameter coefficient of -4.944863 will diminish return on equity. Money supply increases return on equity by 0.159261 units, supporting the theoretical theory. Additionally, a -0.402997 connection between lending rate and ROE suggests that a one-unit increase in loan rate decreases ROE by one unit. Additionally, a positive correlation of 0.523345 was found between liquidity ratio and ROE, implying that a one-unit increase in liquidity ratio would increase ROE by one unit. A one-unit increase in non-performing loans caused a one-unit drop in ROE, according to a -0.156856 connection.

Random Effect Model

Dependent variable: LNROE

Variable	Coefficient	Std. Error	T-Statistic	Prob.
LNMS	0.159261	0.072971	2.182522	0.0304
LNLR	-0.402997	0.670502	-0.601037	0.5486
LNLQR	0.523345	0.453315	1.154485	0.2499
LNNPL	-0.156856	0.185303	-0.846482	0.3984
C	-4.944863	2.793795	-1.769945	0.0785
Random effect (cross)				
Zenith-C	-4.944863			

Access-C	-4.944863
Ecobank-C	-4.944863
FBN-C	-4.944863
FCMB-C	-4.944863
Union-C	-4.944863
R-Squared	0.0690135
Adjusted R-Squared	0.069338
F-Statistics	4.334033
Prob (F-Statistics)	0.002287
Durbin-Watson Stat	1.688233

Source: Author's Computation (2024)

The table above demonstrate how LNROE (the dependent variable) affects four independent variables. The constant parameter coefficient was -4.944863. The ROE will drop by -4.944863 units while all other parameters remain zero. Empirical data supports theoretical predictions: money supply and return on equity are positively correlated (0.159261). This means that each unit of money supply change increases equity return by the same amount. The loan rate-return on equity coefficient was -0.402997, demonstrating a negative relationship. If the lending rate rises one percentage point, the return on equity decreases by the same amount. ROE and liquidity ratio were positively correlated (0.523345). This suggests that a one-unit liquidity ratio increase would boost return on equity. Returns on equity and non-performing loans correlated -0.156856. This indicates that for every unit rise in non-performing loan, the same units lose return on equity.

Hausman Test

The Hausman test is used to test for the best effect model between the fixed effect and the random effect model.

Chi Sq. Statistics	Prob.
0.000000	1.0000

Source: Author's Computation, (2024).

The table data shows the random effect model is best for this investigation. The Hausman test's probability value below 5% supports this conclusion. Therefore, the study will focus on the random effect model.

Coefficient of Multiple Determination

The fixed effect model has a coefficient of multiple determination (R) of 17%, indicating that independent factors explain 17% of dependent variable variation. Error accounts for 83% of variation. After further adjustments, independent factors may account for up to 17% of dependent variable variation.

Tests for Statistical Significance of Parameters (Probability -Test)

This test determines which of the approved model's explanatory variables best describes LNROE's behaviour. The p-value for each independent variable coefficient from ordinary least squares (OLS) regression analysis determines the parameters'

statistical reliability or significance. The experiment uses 5% significance, or 95% confidence.

Summary of Probability Test-Fixed Effect

Variable	Probability Value	Decision
LNMS	0.0304	Significant
LNLR	0.5486	Insignificant
LNLQR	0.2499	Insignificant
LNNPL	0.3985	Insignificant

Source: Author's Computation, (2024).

Based on the statistics presented in the table, it can be determined that the only element that has a considerable impact on return on equity is the money supply. P-values for the other variables were all less than 0.05, indicating that they did not have a significant role in explaining the dependent variable (LNROE).

Test for the Overall Significance of the Research Model (F-Test)

The Test for the viability and significance of the research model adopted for this study is done using the Probability Test. The hypothesis for the test is formulated as:

$H_{0:}$ There is no overall significance in the model

$H_{1:}$ There is overall significance in the model

F-Test

F-Statistics	Prob (F-statistics)
3.989466	0.000122

Source: Author's Computation, (2024).

Having an F-statistic greater than 0.05 indicates that the model is not robust enough to explain LNROE behaviour.

Summary of Findings

The purpose of this research is to examine how credit risk impacts Nigerian deposit money banks' productivity and profitability. This research found that money supply and liquidity rate boost return on equity. The lending ratio, non-performing loan, and return on equity have no correlation. Evidence implies that credit risk indices and Nigeria's banking industry success are linked. Fixed effect analysis measures model goodness of fit using the coefficient of multiple determination (R), which is 0.174377 in this example. The explanatory variables may explain 17% of the variation in the examined firms' LNROE (natural logarithm of return on equity). Error term accounts for 83% of LNROE volatility. The combination of factors used to explain the dependent variable only explains 17% of the endogenous variable's variation. The money supply is the only factor that affects return on equity, as the other explanatory factors had P-values below 0.05 and did not explain the behaviour of the dependent variable (LNROE). The empirical evidence reveals that credit risk has no impact on Nigerian bank profitability.

Implications of findings

This research examines how credit risk impacts Nigerian deposit money institutions' efficiency. The research found no statistically significant relationship between credit risk indices and deposit money institution profitability. The findings show that liquidity ratios boost deposit money institution efficiency. The study also confirmed Jamil and Omar's (2021) predictions. Our analysis showed that non-performing loans

negatively and statistically insignificantly affected deposit money institutions, which is consistent with Jamil and Omar (2021).

5.0 Conclusion and Recommendation

This study examined how credit risk impacts Nigeria's deposit money institutions' profitability and productivity. The study spanned 1986–2021. Return on equity (LNROE) was the dependent variable, whereas money supply, lending rate, liquidity ratio, and nonperforming loan were independent variables. The authors found that ROE was favourably connected with money supply and liquidity ratio and negatively correlated with lending rate and nonperforming loan using panel regression analysis. Fixed effect analysis measures model goodness of fit using the coefficient of multiple determination (R), which is 0.174377 in this example. Explanatory variables explain 17% of the variation in the chosen firms' LNROE (Natural Logarithm of Return on Equity). Error term accounts for 83% of LNROE volatility. These findings suggest that the independent factors explain just 17% of the endogenous variable's variation. In conclusion, a lot of research demonstrates credit influences bank performance favourably and adversely. Thus, the Nigerian government should intervene to ensure bank efficiency. The first suggestion is for the government to cut bank loan and advance interest rates. Second, the government's monetary policy agency should monitor cash circulation. Lastly, regulatory authorities should discourage nonperforming loans since they may indicate a systemic banking sector weakness that might lead to bankruptcy.

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The Role of Human Capital in Shaping Executive Pay and Profitability: A Study of Nigerian Banks

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Abstract
This study investigates the role of human capital in shaping executive pay and profitability within Nigerian banks. Utilizing a survey method, data were collected from 133 executives across top commercial banks. The findings reveal a strong consensus that investments in employee training and development significantly enhance profitability, with over 60% of respondents recognizing a high impact. Additionally, a substantial majority perceive a direct link between executive compensation structures and organizational performance, suggesting that effective compensation packages incentivize the achievement of key performance indicators. The research further highlights the importance of human capital management practices in fostering employee engagement, with 67.7% of respondents affirming their critical role in talent retention. Overall, the results underscore the necessity for bank leaders to strategically invest in human resources, emphasizing the profound impact of human capital on organizational success in the competitive banking sector. This study contributes valuable insights into how effective human capital strategies can drive profitability and improve performance outcomes in Nigerian banks.

Keywords: *Human Capital, Executive Compensation, Profitability, Banking Sector & Employee Engagement.*

1.0 Introduction

The banking sector is a critical component of Nigeria's economy, functioning as a key player in financial intermediation and overall economic growth. This sector not only facilitates capital allocation but also contributes to job creation, investment mobilization, and the overall stability of the financial system. In recent years, the industry has experienced significant transformation, driven by various factors, including deregulation, technological advancements, and increasing competition among banks. These developments have prompted financial institutions to re-evaluate their operational strategies, leading them to prioritize their human capital (HC) as a vital asset for achieving strategic objectives and maintaining competitive advantage (Obi & Okwu, 2023).

Human capital can be defined as the collective skills, knowledge, and experience possessed by an organization’s workforce. It is an essential resource for enhancing productivity, fostering innovation, and driving growth (Becker, 1993; Choudhury, 2022). In the context of Nigerian banks, effective management of human capital can lead to a range of positive outcomes, including improved service delivery, heightened customer satisfaction, and ultimately, increased profitability (Adedoyin et al., 2021). Banks that invest in their employees through training and development programs not only enhance the capabilities of their workforce but also create a culture of continuous improvement that can translate into better financial performance.

Simultaneously, the structure of executive compensation has come under intense scrutiny, particularly concerning its alignment with organizational performance and the broader socio-economic environment in Nigeria. The debate surrounding executive pay raises important questions about fairness and accountability, especially in an industry where income inequality and governance challenges are prevalent (Adeleke & Aderinola, 2023). Critics argue that exorbitant executive salaries may not only foster resentment among lower-level employees but also detract from the overall morale within the organization.

Research indicates that while high executive pay can be a tool for attracting and retaining top talent, it may also contribute to ethical dilemmas and agency problems, particularly in an environment characterized by significant disparities in wealth and power (Eze et al., 2022). The increasing gap in remuneration between executives and average employees raises concerns about equity and the effectiveness of compensation practices within Nigerian banks (Adeyemo et al., 2024). Such disparities can potentially lead to disengagement among employees, affecting their productivity and, consequently, the bank's overall performance.

Moreover, the relationship between human capital investments and bank profitability is an area ripe for exploration. Numerous studies suggest that banks that prioritize investments in employee training and development often achieve better financial outcomes compared to those that do not (Ibrahim et al., 2023). This correlation underscores the importance of aligning human capital strategies with organizational goals to optimize performance. Understanding this relationship is essential for stakeholders, including bank management, policymakers, and investors, as they seek to create effective frameworks for human capital management while promoting fair and effective executive compensation practices that enhance both accountability and profitability.

Statement of the Problem

In the Nigerian banking sector, the ideal scenario would involve a harmonious relationship between human capital investment, executive compensation, and overall profitability. Organizations would effectively leverage their human resources by prioritizing employee development, which would lead to enhanced productivity and improved customer satisfaction. Additionally, executive compensation would be appropriately aligned with organizational performance, fostering a sense of equity and motivation across all levels of staff.

However, the reality reveals several challenges. Many banks struggle with inadequate investment in human capital, resulting in underdeveloped workforce skills and a lack of innovation. At the same time, executive pay often remains disproportionately high compared to that of average employees, raising concerns about fairness and creating a culture of disengagement. This misalignment can lead to ethical dilemmas, employee dissatisfaction, and a decline in overall performance.

If these issues are not addressed, the consequences for Nigerian banks could be significant. Continued neglect of human capital development may decrease productivity, reduce customer satisfaction, and ultimately lower profitability. Additionally, persistent disparities in compensation could exacerbate employee disengagement, increase turnover rates, and damage the bank's reputation. Such outcomes would jeopardize the long-term sustainability of these financial institutions. Therefore, it is crucial to examine and resolve these issues to cultivate a healthier, more equitable, and profitable banking environment in Nigeria.

Objectives of the Study

The main objective of the study is to ascertain the role of human capital in shaping executive pay and profitability: a study of Nigerian banks. The specific objectives of the study are to:

i. To analyze the impact of human capital investment on the profitability of Nigerian banks.
ii. To evaluate the relationship between executive compensation structures and organizational performance in the Nigerian banking sector.
iii. To identify the implications of human capital management practices on employee engagement and retention in Nigerian banks.
iv.

2.0 Literature Review

Conceptual Review

Concept of Human Capital Investment

Human capital investment refers to enhancing individual skills, knowledge, and abilities through education, training, and experience, which are essential for economic growth and organizational performance. Rooted in human capital theory, primarily developed by Gary Becker, this concept emphasizes the economic benefits derived from investing in education, resulting in increased productivity and earnings. Recent literature has expanded this framework by integrating social and cultural capital, highlighting that human capital is influenced by societal factors (Roth et al., 2022; Tilly et al., 2021). Key dimensions of human capital investment include education and training, which correlate positively with labour market outcomes (Chetty et al., 2020), health and well-being, where healthier individuals are more productive (Chatterji et al., 2021), lifelong learning to adapt to technological changes (World Economic Forum, 2023), and the importance of diversity and inclusion in enhancing innovation (Hunt et al., 2020). Economically, human capital investment benefits not only individuals but also national productivity and growth, with the World Bank (2022) noting that higher human capital levels lead to stronger economic resilience. Policymakers play a crucial role in facilitating such investments through access to education, training programs, and health initiatives, which can reduce inequality and promote social mobility (OECD, 2022). As the global economy evolves, understanding and investing in human capital remains vital for fostering growth and equity in society.

Profitability

Profitability is a key indicator of a firm's financial health, reflecting its ability to generate income relative to expenses over a given period. Understanding profitability is crucial for stakeholders, including investors, management, and policymakers, as it influences investment decisions, corporate strategy, and economic stability. Theoretically, profitability can be understood through various frameworks, including cost control, pricing strategies, and revenue generation models (Brüning & Pott 2019). Recent research highlights the importance of innovation and operational efficiency in driving profitability, particularly in competitive markets (Kafouros et al., 2020). Additionally, the relationship between profitability and corporate governance has gained attention, with studies suggesting that effective governance practices enhance

financial performance (García-Meca et al., 2021). The role of market conditions and economic cycles also significantly affects profitability, as firms must adapt to changing environments to maintain their competitive edge (Fang et al., 2023). Moreover, sustainable business practices are increasingly linked to profitability, with evidence suggesting that companies adopting sustainability initiatives often experience improved financial performance (Eccles et al., 2021). As organizations navigate a rapidly changing business landscape, understanding the multifaceted drivers of profitability remains essential for long-term success.

Executive Compensation Structures

Executive compensation structures play a critical role in aligning the interests of management with those of shareholders and stakeholders. These structures typically include a mix of base salary, bonuses, stock options, and other incentives designed to motivate executives to enhance company performance and shareholder value. Recent research indicates that well-designed compensation packages can drive both short-term and long-term performance, but they must be carefully aligned with corporate strategy and market conditions (Bebchuk & Fried 2019). One key trend is the increasing emphasis on performance-based pay, which ties executive rewards to specific financial metrics and operational targets (Tepper & Muir 2020). Additionally, studies have highlighted the growing importance of environmental, social, and governance (ESG) factors in compensation structures, as companies seek to promote sustainable practices while enhancing their reputational capital (García-Canal et al., 2022). The role of transparency in executive compensation has also been a focal point, with evidence suggesting that greater disclosure can lead to increased accountability and better alignment with shareholder interests (Fried & Wang 2021). As regulatory scrutiny and public expectations evolve, organizations must continually adapt their executive compensation structures to maintain competitiveness and foster ethical governance practices.

Organizational Performance

Organizational performance encompasses the effectiveness and efficiency with which an organization meets its goals and objectives, reflecting its overall health and competitiveness. It is typically assessed through various metrics, including financial performance, operational efficiency, employee satisfaction, and customer engagement (Kaplan & Norton 2021). Recent studies highlight the critical role of leadership and organizational culture in driving performance, suggesting that strong leadership fosters an environment conducive to innovation and collaboration (Cameron & Quinn, 2021). Additionally, the integration of technology and data analytics has become increasingly important for enhancing decision-making and operational processes, significantly impacting organizational performance (Davenport & Ronanki 2018). Furthermore, the emphasis on sustainability and corporate social responsibility (CSR) is growing, with evidence indicating that organizations that prioritize ethical practices often achieve better long-term performance outcomes (Eccles et al., 2022). Employee engagement is also a vital component of organizational performance; research shows that organizations that actively promote employee well-being and involvement tend to experience higher productivity and retention rates (Bakker & Demerouti 2018). As organizations navigate an increasingly complex and dynamic business landscape, understanding the multifaceted drivers of performance is essential for sustained success.

Human Capital Management (HCM)

Human capital management (HCM) refers to the strategic approach organizations take to optimize their workforce's value through effective recruitment, development, and retention of talent. It encompasses practices that align human resources with organizational goals, emphasizing the importance of investing in employees' skills and capabilities (Cascio & Boudreau 2016). Recent studies highlight the role of data analytics in HCM, where organizations leverage workforce analytics to make informed decisions about hiring, training, and performance management (Marler & Fisher 2019). A critical aspect of HCM is fostering a culture of continuous learning and development, which is essential in today's rapidly changing business environment (Noe et al., 2021). Furthermore, the integration of diversity, equity, and inclusion (DEI) initiatives has become increasingly important, as organizations recognize that diverse teams contribute to innovation and better decision-making (McKinsey & Company 2021). Employee engagement and well-being are also central to effective HCM, with research showing that engaged employees are more productive and committed to their organizations (Bakker et al., 2020). As the landscape of work evolves, organizations that prioritize human capital management are better positioned to achieve competitive advantage and sustainable performance.

Employee Engagement and Retention

Employee engagement and retention are critical components of organizational success, as they directly influence productivity, morale, and overall performance. Employee engagement refers to the level of commitment and emotional investment employees have towards their organization and its goals. Recent research indicates that engaged employees are more likely to exhibit higher productivity, creativity, and job satisfaction (Saks, 2019). Factors contributing to employee engagement include effective communication, opportunities for professional development, and a positive organizational culture (Harter et al., 2020).

Retention, on the other hand, focuses on the ability of an organization to keep its employees over time. High turnover rates can be detrimental, leading to increased recruitment costs and loss of institutional knowledge (Baker et al., 2021). Effective retention strategies often involve understanding employee needs, providing competitive compensation, and creating a supportive work environment that fosters loyalty (Klein et al., 2022).

Moreover, the growing emphasis on diversity, equity, and inclusion (DEI) initiatives has been shown to enhance employee engagement and retention by creating a sense of belonging among diverse employees (McKinsey & Company 2021). As organizations face a competitive labour market, prioritizing employee engagement and retention strategies is essential for maintaining a skilled and motivated workforce, ultimately contributing to organizational performance and resilience.

Theoretical Review

This theory was theoretically underpinned by Human Capital Theory (HCT)

Human Capital Theory (HCT)

Human Capital Theory (HCT), pioneered by economists like Gary Becker, asserts that individuals' skills, knowledge, and experiences represent a form of capital that significantly enhances productivity and economic outcomes. In the context of your study on "The Role of Human Capital in Shaping Executive Pay and Profitability,"

HCT underscores the critical importance of investing in the education and skills of executives. In Nigerian banks, well-qualified leaders are more likely to make informed decisions that drive profitability, and understanding how these banks invest in their executive talent can reveal patterns in compensation structures that reward human capital. Moreover, HCT suggests a direct link between higher levels of human capital and improved organizational performance; therefore, exploring the relationship between executive pay and profitability can illuminate whether banks that invest more in their executives' development see higher returns and enhanced financial performance. The theory also emphasizes the strategic alignment of individual capabilities with organizational goals, providing insights into how Nigerian banks structure executive compensation to reflect the strategic importance of human capital, thus aiding in the retention of top talent while maximizing profitability. Additionally, in Nigeria's unique banking environment, where human capital is influenced by local educational systems, market dynamics, and regulatory frameworks, HCT serves as a valuable lens through which to analyze how these factors affect executive pay and overall profitability.

Empirical Review

Bello and Ojo (2023) studied the impact of employee skills on bank profitability in Nigeria through a panel data analysis of 10 banks from 2015 to 2022. They utilized fixed-effects models to analyze the relationship between skill development programs and profitability metrics. The findings revealed that banks investing in employee skills, particularly in digital banking and customer service, reported higher profitability margins, emphasizing the importance of enhancing employee skills for operational efficiency and financial success.

Adeyemi and Adebayo (2021) examined the influence of human capital investment on the profitability of Nigerian banks using a quantitative approach that employed regression analysis on secondary data from 15 banks over 10 years (2011-2020). Their results indicated a significant positive relationship between human capital investment—measured by training expenditures and employee education levels—and profitability, suggesting that banks prioritizing these investments tend to perform better financially.

Okafor and Nwokoye (2022) evaluated human capital development and financial performance in Nigerian banks through a mixed-methods approach. They combined a quantitative survey of 200 bank employees with qualitative interviews of bank managers. The results showed a strong correlation between perceived human capital development initiatives and improved financial performance, highlighting that managers recognize training as a key driver of employee efficiency and profitability.

Eze and Chukwudi (2020) conducted a qualitative case study focusing on three major Nigerian banks, employing semi-structured interviews with HR managers and executives alongside document analysis of internal training reports. They found that structured training programs significantly contribute to employee satisfaction and retention, which enhances customer satisfaction and loyalty, ultimately boosting profitability.

Ojo and Oladipo (2021) evaluated the relationship between executive compensation structures and organizational performance in the Nigerian banking sector through a quantitative analysis. They collected data from 20 banks over five years (2016-2020) and employed regression analysis to examine how various compensation components, such as bonuses and stock options, influenced performance metrics like Return on

Equity and Return on Assets. Their findings revealed a significant positive relationship, indicating that well-structured executive compensation packages correlate with enhanced organizational performance.

Adegbite and Akinwumi (2022) studied the impact of executive remuneration on the performance of Nigerian banks using a mixed-methods approach. They surveyed 150 banking executives and complemented the quantitative data with qualitative interviews. The results indicated that performance-based compensation significantly motivates executives, leading to improved bank performance. The qualitative insights suggested that transparency in compensation structures also plays a crucial role in enhancing overall organizational effectiveness.

Chukwu and Onwuka (2023) examined the effects of different executive compensation models on organizational performance in the Nigerian banking sector. They employed a panel data analysis of 15 banks over the period from 2015 to 2022. Their study found that banks utilizing a balanced mix of fixed and variable compensation experienced superior performance outcomes compared to those relying predominantly on fixed salaries. This suggests that flexible compensation structures can drive better organizational results.

Ibrahim and Yusuf (2020) conducted a qualitative case study focusing on executive compensation practices in four major Nigerian banks. They utilized interviews with senior management and analyzed internal compensation reports. The study highlighted that aligning compensation with long-term organizational goals not only enhances performance but also fosters a culture of accountability and commitment among executives.

Ibrahim and Okoro (2022) identified the implications of human capital management practices on employee engagement and retention in Nigerian banks through a quantitative study. They collected data from 250 employees across five major banks using structured questionnaires and analyzed the results with regression techniques. The findings revealed a strong positive correlation between effective human capital management practices—such as training, career development, and performance appraisal—and levels of employee engagement and retention, suggesting that investments in human capital significantly enhance employee commitment.

Oluwatobi and Adeyemi (2021) examined the role of human capital management practices in fostering employee engagement in the Nigerian banking sector using a mixed-methods approach. They surveyed 150 bank employees and supplemented this with interviews with HR managers. The quantitative results indicated that practices like mentoring and continuous professional development significantly boosted employee engagement levels. Qualitative insights further highlighted that a supportive work environment plays a critical role in retaining talented employees.

Akinwumi and Chukwu (2023) studied the relationship between human capital management practices and employee retention in Nigerian banks, employing a panel data analysis of 10 banks over five years (2017-2022). Their findings showed that effective recruitment, training, and career development programs were associated with higher retention rates, indicating that strategic human capital management is vital for maintaining a stable workforce in the banking sector.

Eze and Nwankwo (2020) conducted a qualitative case study on the implications of human capital management in four Nigerian banks. Through interviews with HR professionals and focus groups with employees, they found that transparent communication regarding career paths and opportunities for advancement significantly impacted employee engagement and retention. Their research

emphasized the need for banks to prioritize human capital management practices to create an engaged and loyal workforce.

3.0 Methodology

Research Design

This study employs a survey method to gather data on the role of human capital in shaping executive pay and profitability within Nigerian banks. The survey will collect quantitative data that can be analyzed to identify trends and relationships.

Setting

The research was conducted in various deposit money banks located in Nigeria, specifically targeting their headquarters and key operational branches. This setting provides a relevant context for examining the relationship between human capital and executive pay in the banking sector.

Target Population

The target population consists of 200 executive management staff within the top 10 deposit money banks in Nigeria.

Sample Size

To determine the sample size, the study adopted the Taro Yamane formula:

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

Where:

n = sample size
N = population size (200)
e = margin of error (0.05)

Calculating the sample size:

$$n = \frac{200}{1+200(0.052)} = \frac{200}{1+200(0.0025)} = \frac{200}{1+0.5} = \frac{200}{1.5} = \mathbf{133}$$

Thus, the sample size is **133** executives.

Sampling Techniques

A stratified random sampling technique was used to ensure representation from different levels of executive management (e.g., CEOs, CFOs, and other top executives) across the selected banks. This approach allows for a comprehensive analysis of how human capital impacts executive pay and profitability.

Instrument for Data Collection

Data was collected using a questionnaire designed to measure various aspects of human capital (such as skills, education, and experience), executive pay structures, and perceived profitability. The questionnaire included both closed-ended and Likert-scale questions to facilitate quantitative analysis.

Validity of Instrument

To ensure the validity of the instrument, the questionnaire was reviewed by a panel of experts in human capital management and banking. Their feedback were used to refine questions, ensuring that they effectively measure the intended constructs.

Reliability of Instrument

The reliability of the questionnaire was assessed using Cronbach's alpha, with a threshold of 0.70 considered acceptable. A pilot test was conducted with a small group of executives (approximately 10% of the sample size) to gauge the consistency of responses.

Method of Data Collection

Data was collected through a combination of surveys and interviews. The primary method was the survey distributed electronically or in-person, followed by semi-structured interviews with a subset of participants to gain deeper insights into their responses and perspectives.

Method of Data Analysis

Data was analyzed using descriptive statistics and frequency tables to summarize the findings. Descriptive statistics provided an overview of the demographic characteristics of the respondents and the key variables studied. Frequency tables displayed the distribution of responses, enabling easy interpretation of the data.

4.0 Data Presentation and Analysis

Table 1: To what extent do you believe that investment in employee training and development impacts the profitability of your bank?

Options/Responses	Frequency	Percentage
Very High Impact	30	22.6%
High Impact	50	37.6%
Moderate Impact	25	18.8%
Low Impact	18	13.5%
No Impact	10	7.5%
Total	**133**	**100%**

Source: Field Survey, 2024

This table illustrates the respondents' views on the impact of employee training and development investment on the profitability of their banks. A significant proportion, 60.2%, believes that such investments have either a very high or high impact, indicating a strong recognition of the value of human capital in driving financial performance. In contrast, 21.3% of respondents perceive a low or no impact, suggesting some variance in perspectives regarding the effectiveness of these investments. Overall, the findings emphasize the perceived importance of human capital initiatives in enhancing profitability within the Nigerian banking sector.

Table 2: How would you rate the importance of human capital in driving profitability in your organization?

Options/Responses	Frequency	Percentage
Essential	40	30.1%
Important	55	41.4%
Neutral	20	15.0%
Slightly Important	10	7.5%

Not Important	8	6.0%
Total	**133**	**100%**

Source: Field Survey, 2024

This table showcases the respondents' perceptions of the importance of human capital in driving profitability within their organizations. A substantial 71.5% of respondents view human capital as either essential or important, highlighting a strong consensus on its critical role in achieving financial success. Conversely, 13.5% of respondents consider it slightly or not important, indicating some differing opinions on its impact. Overall, these results reinforce the belief that human capital is a fundamental driver of profitability in the Nigerian banking sector.

Table 3: How effectively do you think the current executive compensation structure incentivizes performance in your bank?

Options/Responses	Frequency	Percentage
Very Effectively	25	18.8%
Effectively	45	33.8%
Moderately	30	22.6%
Ineffectively	20	15.0%
Not at All	13	9.8%
Total	**133**	**100%**

Source: Field Survey, 2024

This table illustrates respondents' opinions on the effectiveness of the current executive compensation structure in incentivizing performance within their banks. A combined 52.6% of respondents feel that the structure either very effectively or effectively incentivizes performance, suggesting a generally positive outlook on how compensation aligns with organizational goals. However, 24.8% express that the structure is only moderate, ineffective, or not effective at all, indicating some concerns regarding its alignment with performance outcomes. Overall, these findings highlight the perceived significance of executive compensation in motivating performance in the Nigerian banking sector.

Table 4: In your opinion, how closely are executive compensation packages linked to the overall performance of your organization?

Options/Responses	Frequency	Percentage
Very Closely	35	26.3%
Closely	50	37.6%
Somewhat Closely	30	22.6%
Not Very Closely	12	9.0%
Not at All	6	4.5%
Total	**133**	**100%**

Source: Field Survey, 2024

This table presents respondents' views on the relationship between executive compensation packages and the overall performance of their organizations. A notable 63.9% of participants believe that compensation packages are linked either very

closely or closely to organizational performance, indicating a strong perception that financial incentives align with company outcomes. Conversely, 13.5% feel that the link is either not very close or nonexistent, suggesting potential concerns about the effectiveness of current compensation strategies. Overall, these results underscore the belief that executive compensation plays a significant role in driving performance in the Nigerian banking sector.

Table 5: To what extent do you feel that effective human capital management practices enhance employee engagement in your bank?

Options/Responses	Frequency	Percentage
To a Very Large Extent	40	30.1%
To a Large Extent	50	37.6%
To a Moderate Extent	25	18.8%
To a Small Extent	10	7.5%
Not at All	8	6.0%
Total	**133**	**100%**

Source: Field Survey, 2024

This table reflects respondents' perceptions regarding the extent to which effective human capital management practices enhance employee engagement within their banks. A significant 67.7% of respondents feel that such practices enhance engagement either to a very large or large extent, demonstrating a strong belief in the positive impact of human capital management. In contrast, 13.5% of respondents indicate that these practices have little to no effect on engagement, highlighting some differing views. Overall, these findings emphasize the crucial role that human capital management plays in fostering employee engagement in the Nigerian banking sector.

Table 6: How significant do you believe the role of human capital management is in retaining top talent in your organization?

Options/Responses	Frequency	Percentage
Extremely Significant	45	33.8%
Very Significant	40	30.1%
Moderately Significant	25	18.8%
Slightly Significant	15	11.3%
Not Significant at All	8	6.0%
Total	**133**	**100%**

Source: Field Survey, 2024

This table illustrates respondents' views on the significance of human capital management in retaining top talent within their organizations. A substantial 63.9% of respondents regard human capital management as either extremely or very significant, indicating a strong consensus on its critical role in talent retention. Conversely, 17.3% of respondents view it as only moderately, slightly, or not significant at all, reflecting some differing opinions on its impact. Overall, these findings highlight the

importance of effective human capital management practices in ensuring the retention of top talent in the Nigerian banking sector.

5.0 Summary of Findings, Conclusion and Recommendations

Summary of Findings

The following summarizes the key findings:

i. The findings of this study strongly indicate that respondents believe investments in human capital significantly enhance the profitability of Nigerian banks. A substantial portion, over 60%, rates the impact of employee training and development as either very high or high. This underscores a collective recognition among banking executives that investing in employee skills and capabilities is not just beneficial but essential for achieving robust financial performance. This perspective highlights the vital role that human capital plays in driving business success within the competitive banking landscape.

ii. The study reveals that a majority of respondents perceive a direct link between executive compensation structures and overall organizational performance. Approximately 52.6% of participants feel that the current compensation packages effectively incentivize performance, suggesting that well-structured financial rewards can motivate executives to achieve key performance indicators. This alignment of compensation with performance objectives is viewed as a critical strategy for enhancing organizational effectiveness, indicating that thoughtful compensation design can lead to improved outcomes in the Nigerian banking sector.

iii. The research demonstrates that effective human capital management practices are widely regarded as instrumental in enhancing employee engagement and retaining top talent within Nigerian banks. A significant 67.7% of respondents believe that these practices contribute greatly to fostering a motivated and committed workforce. This finding highlights the importance of creating an environment that values employee development, recognizes contributions, and supports career growth. Ultimately, the results suggest that organizations that prioritize human capital management are better positioned to retain skilled employees and maintain a high level of engagement, which is crucial for sustaining competitive advantage in the industry.

Conclusion

This study underscores the critical role of human capital in shaping the landscape of Nigerian banks, particularly in relation to profitability, executive compensation, and employee engagement. The findings clearly indicate that investments in employee training and development are perceived as essential for enhancing financial performance, reflecting a strong belief among banking executives in the value of human capital. Furthermore, the research highlights the importance of well-structured executive compensation packages, which are seen as vital in incentivizing performance and aligning the goals of executives with those of the organization.

Additionally, the significance of effective human capital management practices emerges as a key factor in fostering employee engagement and retaining top talent. Respondents overwhelmingly acknowledge that organizations that prioritize human capital management are better equipped to create a motivated and committed workforce, essential for navigating the competitive banking environment.

Overall, this study contributes valuable insights into the relationship between human capital and organizational success in the Nigerian banking sector. The implications of these findings emphasize the need for bank leaders to strategically invest in their human resources, ensuring that their management practices not only enhance profitability but also cultivate a thriving workplace culture. As the banking industry continues to evolve, prioritizing human capital will be crucial for sustaining competitive advantage and achieving long-term success.

Recommendations

Based on the findings of this study, the following recommendations are proposed:

i. Nigerian banks should prioritize and invest significantly in comprehensive training and development initiatives tailored to cultivate employee skills and competencies at all levels. This commitment to employee growth not only enhances individual performance but also contributes to overall profitability by fostering a more capable and adaptable workforce. Banks should consider implementing continuous learning opportunities, mentorship programs, and leadership development courses. By doing so, they can ensure that employees are well-equipped to meet the evolving demands of the banking sector and drive innovation within their organizations.

ii. To improve organizational outcomes and accountability, banks should design executive compensation packages that are closely tied to measurable performance metrics. This alignment ensures that executive incentives are directly linked to the achievement of specific financial and operational goals, promoting a culture of accountability and results-driven leadership. For example, incorporating key performance indicators (KPIs) such as return on equity, customer satisfaction scores, and employee engagement levels into compensation structures can motivate executives to focus on both short-term results and long-term strategic objectives. This approach not only incentivizes performance but also enhances transparency and trust among stakeholders.

iii. Banks should adopt and implement effective human capital management strategies that focus on enhancing employee engagement, retention, and overall job satisfaction. This includes creating a supportive work environment that values employee contributions and encourages open communication. Banks can achieve this by regularly soliciting employee feedback, recognizing outstanding performance, and fostering a culture of inclusivity and diversity. Additionally, implementing wellness programs and work-life balance initiatives can significantly improve employee morale and retention rates. By prioritizing these human capital management practices, banks can cultivate a motivated and committed workforce, which is essential for achieving sustained competitive advantage and improved organizational performance in the dynamic banking landscape.

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The Involvement of Gender Mainstreaming in Cooperative Activities in Ekiti State Nigeria

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Abstract
The study examined the impact of cooperative movement on gender mainstream in Ekiti, State Nigeria with reference to the female gender. Specifically, objectives are to ascertain the role of cooperative movement, discover the effect cooperative movement has on constraints of female gender participation and cooperative movement on female gender perception towards participating in cooperative activities. The population of the study as used by the National Population Census in Nigeria by the year 2006 for females in Ekiti is estimated at 1,183,470. The sample for the study was 400 respondents. Stratified sampling technique was used to select female participant because not all female gender was selected. Multiple regression analysis was used to test the hypotheses. The result revealed that cooperative movement ($p= 0.000 < 0.05$), cooperative movement ($p= 0.000 < 0.05$) and cooperative movement and female gender perception ($p= 0.000 < 0.05$). The study concluded that cooperative movement encourages promotion of savings, provide access to funds, gives discount on commodity procurement and also serves as agent of change for women empowerment.

Keywords: Cooperative movement, gender mainstream, gender perception, gender participation, gender empowerment

1.0 Introduction
Cooperatives have been regarded as one of the main institutional machineries for empowering the economically weak members of the society as it promotes economic and social development because they are commercial organizations that follow a broader set of values than those associated purely with the profit motive. Cooperatives play an important role in job creation by directly providing self-employment to members and service provision for non-members (Awotide, 2012). The business of cooperative movement is in the process and structure used to direct and manage the business and affairs of a cooperative society towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term member (Hing, Suhana, Rohana, Nooraslinda, & Siti, 2015).
Anil, and Harinder, (2013) describe cooperative movement as a voluntary movement of the people with the purpose to be controlled democratically and ensuring resources are pooled together with the aim of achieving certain benefits that cannot be gotten individually. The operations of cooperative movement are based on self-help, self-responsibility, democracy, equality and solidarity. Cooperative movement contributes to improve the social, economic, cultural, environmental and political advancement of a country. It recognized as a key stakeholder in both national and international affairs. While the understanding of cooperative movement was defined by earlier scholars as devoid of ideological aspiration, Francesca (2019) opines that cooperative

movement are fundamental to the spread of a culture of cooperation and the formation of social ties among their members, which in several cases led to collective actions undertaken by specific social groups.

Okumu (2012) stated that cooperative movement; private and public organizations and international bodies have over time shown the importance of working towards gender mainstream. Gender mainstreaming is a universally recognized strategy that serves as a means of promoting gender equality. Mainstreaming encompasses that gender perceptions to the goal of gender equality are central to all the activities. Gender mainstreaming is a process that ensures that women and men have same access to opportunities, rewards, and societal valued resources (Titilayo, 2022). Mainstreaming represents a shift in thinking about women; from women as a target group of development assistance to gender equality as a development objective. In an attempt to promote cooperative movement, the open membership principle has ensured the participation of gender mainstream in cooperative societies. It is therefore the equal participation of women and men in cooperative activities that includes growth, democracy, as well as individual wellbeing of women and men. Gender participation and community involvement in cooperative societies has improved local and global economies thereby contributing to achieving better incomes through various cooperative activities (Oyebamiji, Adetarami, Dada, Oyetade, Ijeh, & Sodiya, 2020). According to Kareem, Arigbabu, Akintaro, and Badmus, (2012) there is hardly any workplace in Nigeria today where a cooperative society is not operational. It's quite effective in both public and private enterprise because member contributions are carried out in conjunction with employers of labour on behalf of their staff who deductions are at source and repayment of loans is done through deductions from staff salaries as requested by the operators of the societies.

Kelly (2013) opines that gender mainstreaming has become a focal point of discuss globally due to the understanding that it is a catalyst to clear-cut development plans which is directed at poverty reduction, improved living standards, good governance and profitably productive investments that are critical to the creation of an enlarged capacity that provide men and women with equal opportunity and unrestrained access to decision-making and policy implementation. Kifle (2015) argues that empowerment has always been fundamental to the ideas of cooperative movement where weaker section of the people get together to achieve goals that they would not be able to achieve on their own. The members themselves decide the goals and since cooperatives are organized on the principle of one person - one vote, the cooperative form of enterprise provides women with the opportunity of participating on equal terms with men. (Akubuilo, Ugwu and Attah (2020) opines that gender mainstreaming is frequently used interchangeably within the academic fields of cultural studies, gender studies and the social sciences in general that is often refers to purely social rather than biological differences. Meanwhile, the concept gender is an important analytical tool in cooperative projects which requires that women are considered in relation to men in a socio-cultural setting and not as an isolated group. According to Ezeokafor, Jacobs and Ekwere (2021), cooperative movement and gender mainstreaming are determined by society and by the societal perception of the status and place of gender and the extent of their participation in the economic

development of their families and society in general. Women in rural development are a subject of greater interest no matter where one lives in rural or urban areas. Cooperative in a simple sense is working together with people. It also means any form of two or more people working to achieve some aim. Cooperative societies are institutions through which activities of cooperation are practiced or demonstrated.

Statement of Problem

Cooperative despite its old age is assumed not to be very popular in Nigeria. Recently, worker cooperatives started gaining ground among working class citizens most of whom find it difficult to save part of their salaries/wages for the raining day (Harry & Ewubare, 2017).

The overall importance of cooperative movement to improve the social, economic, cultural, environmental and political advancement of a country and its objective is premised on removal of poverty, employment and income generation, social inclusion are the major . Unfortunately, gender imbalance in employment, in poverty status, and in earnings over time constitutes the major problems affecting the development of cooperative movement in Nigeria. Gender inequality in access to and control of a wide range of economic, human, and social capital assets and resources remains pervasive in Nigeria, and is a core dimension of poverty in this region (Akubilo et al., 2020).

Overtime, different approaches have been adopted to universally promote and project gender equality that includes women in development, women initiative plans and now gender mainstreaming. Despite all efforts concerted over time to address issues of gender inequality by the United Nation, declaration of human rights and the current millennium development goals, Awotide (2012) argues that it is the belief of some culture that women are not empowered to engage in business independently or without the approval of their husband. These stances as a serious drawback to participation in cooperative activities. While it has been observed in some cases that women's legal rights may be stipulated in a cooperative they may not necessarily be enforced or they may be superseded by customary law.

According to Shaharban (2018), the effect of gender mainstream is majorly felt by the female gender as a result of;

i. lower incomes than men often because of the kind of work they do
ii. Low levels of education mean women are often less literate than men, affecting their financial capability
iii. Lack of decision-making power and self-esteem and
iv. Poor access to information, poor social networks and risk aversion.

According to Oyebamiji et al., (2020), the role of female gender in cooperative movement is seen as an avenue to improve the household well-being objective. Despite the huge benefit of cooperatives society, dominant gender mainstream inequalities affect the participation of members, especially when cooperative movement are controlled and managed by men. Okumu (2012) argue that disparities persist and a lot still remain to be done to bridge gender gaps including women's poor conditions and related power disparities. The study of Ezeokafor (2021) went further to ascertain that People have come to appreciate the vital role played by women in

society but there exist large disparities in the socioeconomic development of the genders and as such, male is in domination and women are obedient followers of male leaders in cooperative movement. The designs of cooperative movement have adopted that of the corporate organisations where the female gender are relegated to second class citizen unless cooperative movements formed by the female genders alone.
It has therefore been assumed from reviewed literatures that women are the most affected in Gender mainstream cooperative movement. There is scanty of research in this regards in the Nigerian context. It is upon this backdrop that the study intends to investigate the impact of cooperative movement on gender mainstreaming in Ekiti State, Nigeria.

Objectives of the Study

The broad objective of the study is to examine the impact of cooperative movement on Gender mainstream in Ekiti, State Nigeria with reference to the female gender. The Specific objectives are to;

i. ascertain the role of cooperative activities in female gender empowerment
ii. discover the effect cooperative activities has on constraints of female gender participation
iii. examine the impact of cooperative movement on female gender perception towards participating in cooperative activities

2.0 Literature Review

History of Cooperative Movement

The emergence of co-operative movement was first traced to the early period of Europe during the nineteenth century. Basically, there are different schools of thought who at various times disagree as to the exact period when the movement started. While researchers have traced the origin of cooperative movement to the early days of the British in the Eighteenth century other scholars have ascribed the cooperative movement to begin in France especially in the farming industry and consumer organizations (Francesca, 2019). Chigozie (2018) affirm that cooperative movement began with the presentation of Cooperative Principles to Business Organization started in Europe in the nineteenth century, largely in Britain and France. The Industrial Revolution and the increasing mechanism of the economy transformed Society and threatened the livelihood of many Workers. The study of Shaharban, (2018) defines cooperative movement from the perspective of The International Labour Organization (ILO) as an association of persons usually of limited means who voluntarily joined together to achieve a common economic end and through the formation of a democratically controlled organization making equitable contribution of the capital required of accepting a fair share of rights and benefits of the undertakings. The first cooperatives movement although was recorded in the eighteenth century which had its emanation from the Equitable Pioneers of Rochdale Society that steadily spread co-operative movement. The Rochdale Society is mostly documented by researchers/scholars as the founding father of the modern cooperative movement that was originated by a group of 28 weavers and other craftsmen. The business of cooperatives movement has always been measured as an economic agency

with a strong social responsibility towards the members in particular and the society at large (Ching, et al., 2015).

The Rochdale Pioneers are regarded as the founder of modern cooperative society whose interest was emphasised on consumer cooperative movement. The principles of the rules of conduct in Rochdale Pioneers annual proceedings are:

i. Contribution of capital was from the 28 pioneer members
ii. Only the cleanest supplies procurable should be made available to members
iii. Full Weight and Measures should be given
iv. Market Prices should be charged on supplies of procurable
v. Profit should be divided according to the purchases made by members
vi. Principle of one member one vote
vii. Officers and Committee should appointed and managed by the cooperatives
viii. Distribution of profits allocated to education purpose
ix. Account statements and balance sheets should be given to members from time to time

As a result of the success recorded by the Rochdale Pioneer in cooperative movement, it has ensured that the concept of cooperative movement has been subjected to reviews when needed with the last review in Manchester in 1995. Cooperative movement has gain prominence and has spread across countries of the world. Ezeokafor (2021) in his research opines that in the definition of University of Wisconsin Centre for Cooperatives, it captures the essence of cooperatives in two distinct forms: "a cooperative is a business voluntary owned and controlled by its member patrons and operated for them and by them on a non-profit or cost basis. It is owned by the people who use it" and It is also viewed to operate in "a user-owned and democratically controlled enterprise that ensures benefit is gotten based on individual use". Sequel to the two perception, it can be deduced that cooperative is a key element that gives her members' dual nature- they are both owners and users, investors, and patrons.

2.2 Establishment of Cooperative Movement in Nigeria

The formation of cooperative movement is premised on collective and acceptable principles that separate them from other investors owned firms (IOF). Such acceptable principles are fundamental to the survival of cooperative societies in theories and practice and be based upon the new models of scientific management of businesses and applied economics (Rowland, 2014). Chigozie (2018) ascertain that the concept of Cooperative movement existed before the coming of the White to Nigeria. This is seen in the major tribes in Nigeria such as the Yoruba linguistic Group that dated far back as the sixteenth century using the name of Esusu, a Rotating Savings and Credit Association which is referred to as Ajo among the Yoruba Ethnic Group of Nigeria. Modern cooperative movement in Nigeria is dated back to 1933 when the government at the centre arranged that a thorough review to be carried out by M.C.F Strickland a co-operating expert, who for three months between December 1933 to March 1934 investigated the possibility of introducing a co-operative system into Nigeria.

The study of Rowland (2014) asserts that the report of Strickland opines that the establishment of cooperative society is essential for the following reasons:

i. To eliminate exploitation by middle men on agricultural produce
ii. For producers to deal directly with the entrepreneurs, producers and buyers
iii. For members to benefit from the extension of the Department of Agriculture
iv. To provide production credit to members; and to do away with high interest loans.
v. To promote cooperative spirit in a social system that already provides the fundamental rudiments of cooperatives
vi.

Women in Cooperative and Gender Mainstreaming
Conceptualising Women Empowerment

There are limited cooperative movement that operate in the area of women empowerment. Cooperative idea have naturally focused on empowerment as part of its fundamental practice where weaker members of the society comes together to actualise common goals that they would not be able to achieve as an individual. Goals to be achieved are determined by members and, since cooperatives are organized on the principle of one person - one vote, the cooperative form of enterprise provides women with the opportunity of participating on equal terms with men (Kiftle, 2015). At every level of governance and corporative practices, women empowerment is crucial for their social and psychological emancipation and meaningful involvement in the decision making process. The research of Bhaskar and Sanjeeb (2022) orates that the major defining terms of empowerment are contesting to disparity, variation and domination, exercising opportunities and choices, participation, control over lives. Empowerment of practice that develops the ability of people that allows them to take informed decisions or make selections with far-reaching consequences which was earlier denied to them.

Lennie (2002) affirms that the best form of women empowerment is to increase their productivity in home and market production and the income they obtain from work. Kelly (2013) affirms that despite the appointment of women to the cadre of permanent secretaries starting from the year 2000, the level of disparity between men and women in terms of employment in Nigeria has significantly impacted on the capacity of women to contribute to economic growth and development. Ufoaroh (2017) opines that women's empowerment discusses the freedom of women legally, socially and psychologically to use all their capacities to satisfy their individual goals. The researcher went further to claim that Nigeria women are no excluded from the existing marginalisation of right of decision making as it is assumed that when women grow access to finances, it will in itself increase their income which will then translate into enhanced well-being for women and allow them to bring about drastic changes in gender variation.

Adebisi (2016) classified women's empowerment into five components:

i. right to make choices
ii. right to have access to resources
iii. right to control their own lives
iv. sense of self-worth and the ability to create a social and
v. economic order.

Constraints to Female Gender Participation in Mainstreaming

The mainstreaming of females in various spheres of society, such as politics, education, workforce, and leadership roles, is essential for achieving gender equality. However, several constraints have historically hindered and continue to hinder female gender participation in mainstreaming. The study of Titilayo (2022) argues that mainstreaming gender in Nigeria has multidimensional constraints traceable to the process of socialization, personal or selfish interests of some men, cultural beliefs and values; and social practices, among other factors. Titilayo (2022) opines that the constraint to female gender participation includes;

i. Prevalence of Patriarchy and Androcentrism where in most Nigerian societies, men are recognized as the decision makers at home and in the public sphere
ii. The Skewed Nature of Gender Socialization where the process is discriminatory to the disadvantage of the girls. the prevailing patriarchal attitudes, the nature of gender socialization, and division of labour are skewed in favour of dominant men and their interests
iii. Gender Inequality in Marriage and in the Family where Men clearly dominated marriages and the nature of marriage relations and family contexts tended to facilitate gender-based domestic violence.
iv. Religious Beliefs and Harmful Gender Practices where men are empowered to treat and discipline their wives, as they would minor, and even to demand sex at will from their female spouse
v. Government’s Poor Political Will in Allocating Resources to Understanding and Addressing the Nature of Gender Inequality
vi. Poor Representation of Women in Political Offices
vii. Failure of the Nigerian Government to Domesticate Ratified International Instruments on Women’s Human Rights

Other constraints to female gender mainstreaming lack of access to education, Discrimination and bias, Harassment and safety concerns, Lack of access to financial resources and Social conditioning and self-doubt.

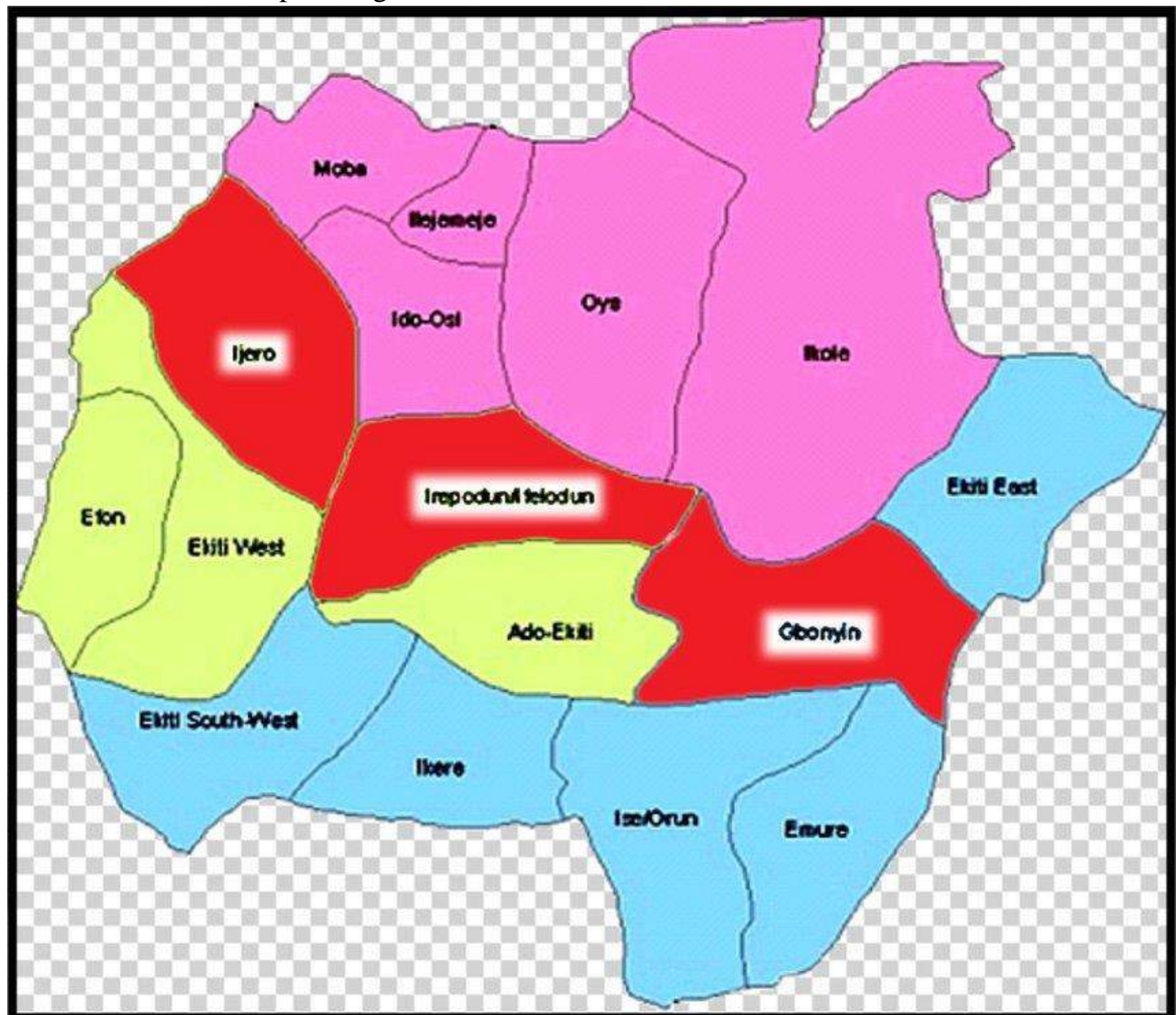
Female Gender Perception

Women’s participation in registered gender mixed co-operatives remains low as compared to men. This discrimination has lived beyond centuries. The study while reporting on the teething age of co-operation in Great Britain opines that only few women attended quarterly meetings of consumer cooperatives; men were in an overwhelming majority as shareholders; where the man and woman were involved only the man was allowed membership of the society and to receive the co-operative dividend (Okechukwu & Ugwumba, 2016). The International Co-operative Alliance (ICA) and International Labour Organization have reported separately that the value of self-help, mutual responsibility, equality and equity are held in common by all members of cooperative societies but the idea of equity and equality that governances the society for both men and women may differ. This was based on the assertion that true equality may not in reality exist observing that in nearly all countries in the world, there is a perception that the percentage of women participation as compared to men is notably lower and practically non-existent at the decision making levels (Uche & Ajie, 2017). Cooperative societies have been seen to be the only effective

intermediary that gives supports to the women for their self-development and empowerment.

3.0 Research Methodology

For the purpose of this study, the research was carried out in Ekiti State. Ekiti State is one of the states in the Federal Republic of Nigeria and one of the State in the Southern part of the country. The geo-political zone is known for its Yoruba culture which literally is a Yoruba speaking zone with over ten different dialects in each of the States that make up the region.



Map of Ekiti State

Population of the Study

The population of the study as used by the National Population Census in Nigeria by the year 2006 for females in Ekiti is estimated at 1,183,470. This breakdown comprises of both unmarried, married, divorced and widows in the state.

Table 1: population of the study

LGA	BOTH SEX	MALE	FEMALE
Ado Ekiti	313,690	162,563	151,127

Aiyekire (Gbonyin)	147,999	75,342	72,657
Efon	87,187	43,587	43,600
Ekiti East	138,340	70,022	68,318
Ekiti South West	165,087	83,416	81,671
Ekiti West	179,600	91,241	88,359
Emure	94,264	47,767	46,497
Ido-Osi	160,001	81,461	78,540
Ijero	221,873	112,363	109,510
Ikere	148,558	69,252	79,306
Ikole	170,414	86,873	83,541
Ilejemeji	43,459	22,010	21,449
Irepodun/Ifelodun	131,330	66,289	65,041
Ise/Orun	113,951	57,743	56,208
Moba	145,408	75,747	69,661
Oye	137,796	69,811	67,985
TOTAL	2398,957	1,215,487	1,183,470

Source: National Population Census, 2006

The above table is the only accurate source for knowing the actual population in the state. Between 2006 till date, there is an increase in population of the state but no data has captured the actual population the Nigerian Statistical Bulletin only gave a projection of what population will be but not assertive.

Sample Size Determination and Sampling Techniques

The study adopted Taro Yamani (1967) formula in an attempt to determine the sample size from the estimated population

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

Where n = Sample size to be tested

N = Total population size

e = acceptable error term (0.05)

The total sample size is calculated as

$$\frac{1183470}{1+1183470(0.05)^2} = 400$$

For effective coverage, stratified sampling technique was used to select female participant because not all female gender was selected. Those excluded are minors and secondary school girls. The sampling technique formulae adopted in the study was that of Taro Yamani (1967)

$$n = \frac{N_i n_i}{N}$$

Where;

n = Number of respondents from each of the local government Ekiti State

n_i = total sample size

N_i = number in each group

N = population size of the study

Table 2 Number of Female Selected

LGA	FEMALE	Number Selected
Ado Ekiti	151,127	$\frac{(151,127)(400)}{1183470} = 50$
Aiyekire (Gbonyin)	72,657	$\frac{(72,657)(400)}{1183470} = 25$
Efon	43,600	$\frac{(43,600)(400)}{1183470} = 15$
Ekiti East	68,318	$\frac{(68,318)(400)}{1183470} = 23$
Ekiti South West	81,671	$\frac{(81,671)(400)}{1183470} = 28$
Ekiti West	88,359	$\frac{(88,359)(400)}{1183470} = 30$
Emure	46,497	$\frac{(46,497)(400)}{1183470} = 16$
Ido-Osi	78,540	$\frac{(78,540)(400)}{1183470} = 27$
Ijero	109,510	$\frac{(109,510)(400)}{1183470} = 36$
Ikere	79,306	$\frac{(79,306)(400)}{1183470} = 27$
Ikole	83,541	$\frac{(83,541)(400)}{1183470} = 28$
Ilejemeji	21,449	$\frac{(21,449)(400)}{1183470} = 7$
Irepodun/Ifelodun	65,041	$\frac{(65,041)(400)}{1183470} = 22$
Ise/Orun	56,208	$\frac{(56,208)(400)}{1183470} = 19$
Moba	69,661	$\frac{(69,661)(400)}{1183470} = 24$
Oye	67,985	$\frac{(67,985)(400)}{1183470} = 23$
TOTAL	**1,183,470**	**400**

Source: Author's Compilation (2023)

Instrument of Data Collection

Structured primary data was used as instrument of data collection to obtain relevant information. The questionnaire were built on five point Likert-Scale which rates the response options from 5 to 1. The response options are Strongly Agree (SA), Agree (A), Strongly Disagree (SD), Disagree (D), Undecided (D).

Method of Data Analysis and Model Specification

Data gathered for the research was analysed using descriptive and inferential statistics. While the descriptive statistics used for the study are majorly percentages and frequency tables, the inferential statistics used was regression analysis to test the three hypotheses investigated in the study. In an attempt to ensure the objectives of the study were well captured, the study was presented in a simple linear regression analysis that was tailored at Cooperative movement has been the independent variable and Gender mainstreaming as the independent variable.

Dependent variable = Gender mainstreaming (GM)

Independent variable = Cooperative movement (CM)

$$GM = f(CM) \ldots \ldots \ldots \ldots (3.1)$$

$$GM = f(\mathrm{GE, GPa, GPe}) \ldots \ldots \ldots \ldots (3.2)$$

4.0 Results and Discussion

Demographic Distribution of Respondents

Table 4 showed the demographic distribution of respondents that revealed the gender distribution of the respondents indicated that one hundred and sixty-eight (51.7%) of the respondents are male while one hundred and fifty-seven (48.3%) of the respondents are female respondents.

Age distribution of respondents showed that sixty (18.5%) of the respondents are between 21-30years, one hundred and twenty-four (38.2%) of the respondents are between 31-40years, thirty-two (9.8%) of the respondents are between 41-50years old, one hundred and nine (33.5%) of the respondents are ages between 51years and above.

Educational qualification of respondents revealed that thirty-three (10.2%) of the respondents are O'level leaving certificate, twenty-six (8%) of the respondents are NCE/ND graduate, one hundred and eighty-three (56.3%) of the respondents are HND graduates, fifty-four (16.6%) of the respondents are First degree graduates while twenty-nine (8.9%) of the respondents are Master degree holder.

The salary of the respondents is eighteen (5.5%) of the respondents are earning between N50,000 to N100,000, one hundred and seventy (52.3%) of the respondents are earning between N100,000 to N200,000, three (.9%) of the respondents claimed that they earn between N210,000 to N400,000 and one hundred and thirty-four (41.2%) of the respondents earn N400,000 and above.

Work status of the respondents revealed that one hundred and sixty-eight (51.7%) of the respondents are single while one hundred and fifty-seven (48.3%) of the respondents are married which implies that majority of the ladies/women are single.

The membership of the respondents indicated that three hundred and three (93.2%) of the respondents are member of cooperative society in Ekiti State, Nigeria.

Table 4.1: Demographic Distribution

	Frequency	**Percent**
Gender Distribution		
Male	168	51.7
Female	157	48.3
Total	325	10.0
Age Distribution		
21-30Years	60	18.5
31-40Years	124	38.2
41-50Years	32	9.8
51Years and Above	109	33.5
Total	325	100.0
Educational Qualification		
O'Level	33	10.2
NCE/ND	26	8.0
HND	183	56.3
First Degree	54	16.6
Master's Degree	29	8.9
Total	325	100.0
Salary		
N50,000 to N100,0000	18	5.5
N100,000 to N200,000	170	52.3
N210,000 to N400,000	3	.9
Above N400,000	134	41.2
Total	325	100.0
Work Status		
Single	168	51.7
Married	157	48.3
Total	325	100.0
Membership		
Yes	303	93.2
No	22	6.8
Total	325	100.0

Source: Author's Computation (2023)

Cooperative Movement and Gender Empowerment

To test this hypothesis, the respondents' scores on two variables of cooperative movement and gender empowerment were computed and subjected to simple regression analysis. From Table 4.2, the R (correlation Coefficient) gives a positive value of 0.576; this indicates that there is a very weak and positive relationship between cooperative movement and gender empowerment. The R^2 is a portion of the total variation in the dependent variable that is explained by the variation in the independent variables. From the results obtained, R^2 is equal to 0.332, this implies that cooperative movement brought about 33.2% variance in gender empowerment, this is further proven by the adjusted R^2 that shows the goodness of fit of the model

which gives a value of 0.330, implying that when all errors are corrected and adjustments are made, the model can only account for 33% by cooperative movement; while the remaining 67% are explained by the error term in the model as shown in Table 5.
The unstandardized beta co-efficient of cooperative movement is 0.529 with t= 12.669 and ($p= 0.000 < 0.05$). These results showed that cooperative movement has a positive relationship with gender empowerment. This suggest that cooperative movement encourages promotion of savings, provide access to funds, gives discount on commodity procurement and also serves as agent of change for women empowerment.
From the Table 5 discussed, and by F-Stat. 160.499 p-value 0.000 < .05, it showed that the null hypothesis, cooperative movement does not significantly affect gender empowerment is not true therefore, the null hypothesis is rejected. Based on this, we accepted the alternative hypothesis that cooperative movement have effect on gender empowerment.

Table 4.2: Cooperative Movement and Gender Empowerment

Variable	Co-eff.	Std. Error	t-value	Sig.
Constant	1.888	0.176	10.711	0.000
Cooperative Movement	0.529	0.042	12.669	0.000
R	0.576			
R Square	0.332			
Adj. R Square	0.330			
F Stat.	160.499(0.000)			

Dependent Variable: Gender Empowerment

Cooperative movement and constraint of female gender participation
To test this hypothesis, the respondents' scores on two variables of cooperative movement and constraint of female gender participation were computed and subjected to simple regression analysis. From Table 4.3, the R (correlation Coefficient) gives a positive value of 0.861; this indicates that there is a strong and positive relationship between cooperative movement and constraint of female gender participation. The R^2 is a portion of the total variation in the dependent variable that is explained by the variation in the independent variables. From the results obtained, R^2 is equal to 0.742, this implies that cooperative movement brought about 74.2% variance in cooperative movement, this is further proven by the adjusted R^2 that shows the goodness of fit of the model which gives a value of 0.741, implying that when all errors are corrected and adjustments are made, the model can only account for 74.1% by cooperative movement; while the remaining 25.9% are explained by the error term in the model as shown in Table 6.

The unstandardized beta co-efficient of cooperative movement is 0.906 with t= 30.468 and ($p= 0.000 < 0.05$). These results showed that cooperative movement has a positive relationship with constraint of female gender participation. This implies that poor governance and lack of management skills, inadequate education of women, funding and access to limited resources in cooperative activities.

From the Table 4.3 discussed, and by F-Stat. 928.290 p-value 0.000 < .05, it showed that the null hypothesis, cooperative movement does not significantly affect constraint of female gender participation is not true therefore, the null hypothesis is rejected. Based on this, we accepted the alternative hypothesis that cooperative movement have effect on constraint of female gender participation.

Table 4.3: Cooperative Movement and Constraint of Female Gender participation

Variable	Co-eff.	Std. Error	t-value	Sig.
Constant	0.500	0.126	3.986	0.000
Cooperative Movement	0.906	0.030	30.468	0.000
R	0.861			
R Square	0.742			
Adj. R Square	0.741			
F Stat.	928.290(0.000)			

Dependent Variable: Constraints of Female Gender participation

Cooperative movement and female gender perception towards participating

To test this hypothesis, the respondents' scores on two variables of cooperative movement and female gender perception towards participating were computed and subjected to simple regression analysis. From Table 4.4, the R (correlation Coefficient) gives a positive value of 0.993; this indicates that there is strong and positive relationship between cooperative movement and female gender perception towards participating. The R^2 is a portion of the total variation in the dependent variable that is explained by the variation in the independent variables. From the results obtained, R^2 is equal to 0.986, this implies that cooperative movement brought about 98.6% variance in female gender perception towards participating, this is further proven by the adjusted R^2 that shows the goodness of fit of the model which gives a value of 0.986, implying that when all errors are corrected and adjustments are made, the model can only account for 98.6% by female gender perception towards participating; while the remaining 1.4% are explained by the error term in the model as shown in Table 7.

The unstandardized beta co-efficient of cooperative movement and female gender perception is 0.986 with t= 18.729 and (p= 0.000 < 0.05). These results showed that cooperative movement has a positive relationship with female gender perception towards participating. This implies that Cooperative helps in enlightenment of areas of opportunities and contributions in cooperative movement increases financial viability.

From the Table 7 discussed, and by F-Stat. 22696.359 p-value 0.000 < .05, it showed that the null hypothesis, cooperative movement does not significantly affect female gender perception towards participating is not true therefore, the null hypothesis is rejected. Based on this, we accepted the alternative hypothesis that cooperative movement has effect on female gender perception towards participating.

Table 4.4: Cooperative Movement and Female Gender perception towards participating

Variable	Co-eff.	Std. Error	t-value	Sig.
Constant	-0.158	0.026	-5.450	0.000
Cooperative Movement	1.036	0.007	150.653	0.000
R	0.993			
R Square	0.986			
Adj. R Square	0.986			
F Stat.	22696.359(0.000)			

Dependent Variable: Female Gender perception towards participating

5.0 Conclusion and Recommendations

Conclusion

The study concluded that cooperative movement encourages promotion of savings, provide access to funds, gives discount on commodity procurement and also serves as agent of change for women empowerment, poor Governance and lack of management skills, inadequate education of women, funding and access to limited resources in cooperative activities and cooperative helps in enlightenment of areas of opportunities and contributions in cooperative movement increases financial viability.

Recommendations

The study therefore recommends the following;

i. In an attempt to reduce the limitation of women participation in cooperative activities, implementation of targeted interventions programmes that will improve the governance structure in the management of cooperatives. This can be achieved through providing training and mentorship programmes that centres on leadership, governance, and management skills specifically tailored for women.

ii. By empowering women with needed available skills, cooperative societies can ensure they take up leadership roles within the cooperative. This will allow for informed financial decisions, and effectively manage their businesses

iii. There should be constant awareness campaigns that showcases the accomplishment and achievements of women within cooperatives. These campaigns majorly should be done within communities, media engagement, workshops, and seminars that emphasize the opportunities and benefits of participating in cooperatives.

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Integrating Theoretical Foundations: A Synthesis of Sustainability Reporting and Corporate Governance

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Abstract

This study provides a comprehensive literature survey on the theoretical foundations of sustainability reporting, a practice increasingly adopted by organizations to communicate their environmental, social, and governance (ESG) initiatives. The study explores key theories such as Stakeholder Theory, Legitimacy Theory, Institutional Theory, and the Triple Bottom Line (TBL) framework, which have shaped both academic discourse and practical applications in sustainability reporting. By critically analysing these theoretical approaches, the study identified their strengths and limitations in explaining why organizations engage in sustainability reporting and how these reports are structured to meet regulatory, stakeholder, and societal expectations. Additionally, this review highlights gaps in existing research, especially in understanding the evolving landscape of sustainability reporting in emerging economies and diverse industries. The findings emphasize the need for an interdisciplinary approach and the potential development of new theoretical models to better capture the complexities of sustainability reporting in the face of rapid technological, environmental, and regulatory changes. This study aims to contribute to both scholarly research and corporate practice by offering insights into the future direction of sustainability reporting.

Keywords: Sustainability Reporting, Environmental, Social, and Governance (ESG)

1.0 Introduction

1.1 Background and Importance

Sustainability reporting has emerged as a crucial practice within corporate governance, driven by growing global concerns over environmental, social, and governance (ESG) issues. It involves the disclosure of non-financial information related to an organization's environmental impact, social contributions, and governance practices, aimed at providing transparency and accountability to stakeholders (Kolk, 2008). The increasing demand for corporate transparency stems from the recognition that businesses are major contributors to global challenges such as climate change, resource depletion, and social inequality (Gray et al, 1995).

In response to these pressures, organizations are expected to align their operations with sustainability objectives and disclose their performance through standardized reports. Stakeholders, including investors, regulators, customers, and civil society, seek greater accountability in corporate activities, making sustainability reporting a vital tool for organizations to communicate their efforts toward sustainable development (Adams, 2004). The integration of sustainability reporting into corporate governance practices is further reinforced by regulatory frameworks such as the European Union's Non-Financial Reporting Directive (NFRD) and initiatives like the Global Reporting Initiative (GRI) (KPMG, 2020).

This shift towards transparency is not only a matter of compliance but also reflects the growing belief that long-term financial performance is closely linked to sustainable business practices. Organizations are increasingly adopting sustainability reporting to enhance their legitimacy, manage stakeholder expectations, and improve risk management, thereby fostering a more sustainable and responsible corporate culture (Owen, 2005).

1.2 Objective of the Paper

The primary purpose of this study is to explore and critically examine the theoretical foundations of sustainability reporting by conducting an in-depth survey of existing literature. This research aims to identify, analyze, and synthesize various theoretical perspectives that have shaped the development and understanding of sustainability reporting practices. This research seeks to provide a comprehensive overview of the key theories, frameworks, and models that have been used to explain the motivations, challenges, and implications of sustainability reporting across different sectors and regions. Through this analysis, the paper aimed to contribute to the academic discourse by highlighting gaps in the literature, offering new insights, and proposing directions for future research in the field of sustainability reporting.

1.3 Scope of the Review

This literature survey provides a comprehensive review of theoretical frameworks and insights related to sustainability reporting. It focuses on key theories, models, and empirical studies that have shaped our understanding of sustainability practices within organizations.

2.0 Theoretical Frameworks and Critical Analysis of Theoretical Approaches in Sustainability Reporting

The development of sustainability reporting practices is underpinned by several theoretical frameworks that help explain the motivations and processes behind organizations sustainability disclosures. These theories offer insights into why companies report on their sustainability practices, how they do so, and the implications of these reports for stakeholders.

Sustainability reporting is a multifaceted practice, influenced by various theoretical approaches that attempt to explain why organizations engage in this form of disclosure. In this section, we critically compare the strengths and weaknesses of the primary theories that shape the discourse on sustainability reporting, highlighting their contributions and limitations in capturing the complexity of this evolving field.

2.1 Stakeholder Theory: Stakeholder Theory, first introduced by Freeman (1984), posits that organizations must account for the interests of all stakeholders, not just shareholders, to maintain long-term success. This theory argues that companies have ethical and social responsibilities toward various groups—such as employees, customers, communities, and the environment that are impacted by their operations.

Application to Sustainability Reporting

In sustainability reporting, Stakeholder Theory suggests that companies disclose information to meet the needs and expectations of their diverse stakeholders. The theory emphasizes that sustainability reports should communicate how the organization’s activities impact the broader societal and environmental landscape (Gray, et al 1996). This theory is particularly relevant as stakeholders increasingly demand transparency on issues such as environmental sustainability, human rights, and social impact.

Strengths

Stakeholder theory provides a comprehensive framework for understanding sustainability reporting by recognizing the importance of engaging with multiple stakeholder groups, not just shareholders (Freeman, 1984). It emphasizes accountability to a broader range of interests, including employees, customers, suppliers, communities, and regulators. This makes it a strong approach for explaining why companies disclose sustainability information to demonstrate their commitment to social and environmental responsibilities (Donaldson & Preston, 1995).

Weaknesses

However, stakeholder theory has been critiqued for its broadness and lack of specificity. The theory does not adequately address how companies prioritize competing stakeholder interests, especially when there are conflicts between short-term profitability and long-term sustainability (Jamali, 2008). Additionally, the theory may oversimplify the complexity of sustainability by assuming that companies can satisfy all stakeholders equally, which is often not the case in practice (Phillips, Freeman, & Wicks, 2003).

2.2 Legitimacy Theory: Legitimacy Theory is based on the idea that organizations seek to operate within the norms and expectations of society. This theory, rooted in

the work of Suchman (1995), suggests that companies disclose sustainability information to gain, maintain, or restore legitimacy in the eyes of the public.

Application to Sustainability Reporting

According to Legitimacy Theory, companies engage in sustainability reporting to demonstrate that their operations align with societal values and environmental norms (Deegan, 2002). For instance, if a company’s operations are seen as harmful to the environment, it might increase its sustainability reporting to repair its reputation and restore legitimacy (Brown & Deegan, 1998). Sustainability reports thus become tools for companies to justify their actions and maintain societal acceptance

Strengths

Legitimacy theory offers valuable insights into why organizations disclose sustainability information to maintain or regain their legitimacy in society (Suchman, 1995). It highlights how external perceptions of a company's actions influence its decision to engage in sustainability reporting, particularly when facing public scrutiny or negative press (Deegan, 2002). This theory helps explain why organizations in industries with significant environmental or social risks, such as mining or oil and gas, tend to have more extensive sustainability reports to justify their operations (Islam & Deegan, 2010).

Weaknesses

A limitation of legitimacy theory is that it may present sustainability reporting as a reactive rather than proactive practice, suggesting that companies only report to avoid public criticism or regulatory penalties (Lindblom, 1994). This overlooks the possibility that organizations might engage in sustainability reporting out of genuine concern for environmental and social impacts. Moreover, legitimacy theory can sometimes imply that sustainability reporting is a form of "window dressing" or "greenwashing" rather than a substantive commitment to sustainability (Boiral, 2013).

2.3 Institutional Theory: Institutional Theory examines how institutional pressures, such as regulations, norms, and cultural expectations, influence organizational behaviour. DiMaggio and Powell (1983) introduced the concept of "isomorphism," which describes how organizations in similar fields adopt similar practices to conform to external pressures.

Application to Sustainability Reporting

Institutional Theory explains the convergence of sustainability reporting practices across industries and regions. Companies often face coercive pressures from regulatory bodies, normative pressures from industry standards, and mimetic pressures from their peers to adopt sustainability reporting practices (Scott, 2001). For example, as more firms within an industry publish sustainability reports, other companies feel compelled to follow suit to maintain competitiveness and meet institutional expectations (Amran & Haniffa, 2011).

Strengths

Institutional theory contributes a robust explanation of how organizations conform to societal expectations, industry norms, and regulatory pressures to gain legitimacy and stability (Meyer & Rowan, 1977). This theory is particularly useful in explaining the

diffusion of sustainability reporting practices across industries and regions, as organizations mimic the behavior of their peers or respond to coercive pressures from regulators and stakeholders (DiMaggio & Powell, 1983). The concept of isomorphism (coercive, mimetic, and normative) helps explain why sustainability reporting becomes standardized over time as companies adopt common frameworks such as the Global Reporting Initiative (GRI).

Weaknesses

Despite its strengths, institutional theory has been critiqued for its emphasis on conformity and lack of attention to the strategic choices that organizations can make regarding sustainability reporting (Higgins & Larrinaga, 2014). The theory assumes that organizations passively adapt to external pressures, which may not always be the case. Additionally, institutional theory does not adequately address the role of innovation and leadership in driving sustainability practices, limiting its explanatory power in cases where companies take a proactive or pioneering approach to sustainability reporting (Bebbington et al, 2014).

2.4 Signaling Theory: initially developed by Spence (1973), explores how organizations communicate information to reduce information asymmetry between themselves and their stakeholders. Companies send signals through voluntary disclosures to convey their commitment to sustainability practices and enhance their reputation.

Application to Sustainability Reporting

In the context of sustainability reporting, companies use their reports as signals to stakeholders, such as investors and customers, to demonstrate their commitment to environmental and social responsibilities (Connelly et al., 2011). Firms with strong sustainability practices may voluntarily disclose their efforts to differentiate themselves from competitors and attract socially responsible investors.

Strengths

Signaling theory provides a focused explanation for how organizations use sustainability reporting to communicate their commitment to responsible practices and differentiate themselves from competitors (Spence, 1973). This theory is particularly strong in contexts where sustainability reporting is seen as a way to attract socially conscious investors, customers, and employees. The theory emphasizes the role of transparency in reducing information asymmetry between companies and stakeholders, making it a valuable lens for understanding the competitive advantages of sustainability reporting (Connelly et al., 2011).

Weaknesses

A key limitation of signaling theory is that it assumes that stakeholders will interpret sustainability reports as reliable signals of a company's future performance and ethical stance (Mahoney et al., 2013). However, in practice, stakeholders may be skeptical of the credibility of sustainability disclosures, particularly in cases where reports lack third-party verification or when companies have been accused of greenwashing. Additionally, signaling theory focuses narrowly on the communicative aspect of sustainability reporting, neglecting broader motivations such as regulatory compliance or ethical imperatives (Toms, 2002).

2.5 Resource-Based View (RBV): The Resource-Based View (RBV) has become a significant theoretical framework in understanding how firms can achieve competitive advantage through sustainability reporting. According to Barney (1991), firms can develop competitive advantage by leveraging unique resources, such as environmental and social assets, which are valuable, rare, inimitable, and non-substitutable (VRIN). These characteristics allow companies to differentiate themselves in the marketplace, especially in sectors where sustainability plays a critical role (Hart, 1995).

Application of RBV to Sustainability Reporting

The application of RBV to sustainability reporting suggests that firms with superior environmental and social resources are more likely to benefit from sustainable practices. For example, firms that invest in green technologies or cultivate social capital through corporate social responsibility (CSR) initiatives can enhance their reputations and long-term profitability (Russo & Fouts, 1997). This perspective is increasingly supported by the growing body of literature that links corporate sustainability with competitive advantage (Wernerfelt, 1984; Hart & Dowell, 2011).

The RBV framework also underscores the importance of sustainability as a strategic resource. Firms that integrate sustainability into their core strategies can enhance their operational efficiencies and meet the growing demands of stakeholders for transparency and ethical practices (Barney, 2001). This has been echoed in recent studies emphasizing the connection between sustainability reporting and firm performance (Lozano, 2015).

Strengths

The resource-based view (RBV) theory adds a strategic dimension to sustainability reporting by suggesting that companies disclose sustainability information to leverage their internal resources for competitive advantage (Barney, 1991). This theory emphasizes the role of sustainability as a valuable intangible resource that can enhance a company's reputation, innovation, and long-term success. RBV is particularly useful in explaining why some firms integrate sustainability into their core business strategies and use sustainability reporting as a means of highlighting their unique capabilities (Hart, 1995).

Weaknesses

However, the resource-based view has been criticized for its firm-centric focus, which may overlook broader societal and environmental impacts of sustainability reporting (Ambec & Lanoie, 2008). While RBV explains how sustainability reporting can enhance a company's competitive position, it may underplay the ethical and normative motivations behind sustainability practices. Moreover, RBV assumes that all companies have the resources to engage in high-quality sustainability reporting, which is not always the case, particularly for smaller firms or those in developing economies (Bansal, 2005).

Comparative Summary

Each theory offers valuable insights into sustainability reporting, but none fully captures the complexity of the practice on its own. Stakeholder and legitimacy theories focus on external pressures and accountability but may oversimplify the challenges of balancing competing stakeholder interests. Institutional theory explains

the diffusion of reporting practices but underplays the role of strategic choice. Signaling theory highlights transparency but assumes that sustainability reports are always credible signals. The resource-based view brings a strategic perspective but tends to overlook ethical considerations and resource constraints.

Together, these theories provide a more comprehensive understanding of sustainability reporting, illustrating that it is shaped by a combination of external pressures, strategic motivations, and organizational capabilities.

3.0 Challenges in Applying Theoretical Models

3.1 Alignment with Regulatory Frameworks

One of the significant challenges organizations face when applying theoretical models, such as stakeholder and legitimacy theories, is aligning their sustainability reporting with regulatory requirements. For example, while stakeholder theory emphasizes meeting the needs of diverse stakeholders, regulatory frameworks may impose different or even conflicting reporting requirements (Ioannou & Serafeim, 2019). Companies operating in multiple jurisdictions often struggle to balance local regulatory demands with the expectations of global stakeholders.

3.2 Ensuring Credibility and Authenticity

Empirical studies have shown that companies frequently face challenges in ensuring the credibility of their sustainability reports (Boiral, 2013). Legitimacy theory suggests that firms report to maintain societal approval, but this can lead to accusations of "greenwashing" if the disclosures are perceived as insincere or inconsistent with actual practices (Mahoney et al., 2013). Empirical evidence suggests that third-party verification and assurance can enhance credibility, but many firms avoid this step due to cost and complexity (Michelon, et al., 2015).

3.3 Resource Constraints

The practical application of sustainability reporting theories is often hindered by resource constraints, particularly for smaller organizations. The resource-based view (RBV) theory highlights the need for leveraging internal capabilities, but firms with limited financial and human resources may struggle to collect, analyze, and report sustainability data (Stubbs & Higgins, 2014). This is especially true in developing economies, where lack of expertise, technology, and institutional support can inhibit the implementation of comprehensive sustainability reporting practices (Bouten, et al., 2012).

3.4 Complexity of Measuring Impact

Sustainability reporting often involves complex metrics that are difficult to quantify, particularly in relation to social and governance aspects. Empirical studies show that while environmental impacts (such as emissions and resource use) are easier to measure, social performance indicators are often more subjective (Adams, 2017). This complexity can result in inconsistent reporting across companies and sectors, making it difficult for stakeholders to compare sustainability performance meaningfully (Tschopp & Nastanski, 2014).

4.0 Gaps in Literature

While the theoretical literature on sustainability reporting has evolved significantly, several gaps remain that warrant further exploration. These gaps highlight areas where current models and theories fall short in capturing the full scope of sustainability reporting, particularly in certain sectors and emerging economies.

4.1 Underexplored Sectors

a. Technology and Digital Sectors

Theoretical models of sustainability reporting have primarily focused on traditional sectors such as manufacturing, energy, and mining (Hahn & Kühnen, 2013). However, the technology and digital sectors, which are rapidly growing and have substantial environmental and social impacts, are underexplored. These sectors face unique sustainability challenges, such as e-waste, data privacy, and the energy consumption of data centers, which are not adequately addressed by existing theories (Hazen et al., 2014). Further research is needed to understand how these sectors adopt and report on sustainability practices and how theories can be adapted to these contexts.

b. Service-Based Industries

While there is substantial research on sustainability reporting in high-impact sectors, service-based industries such as finance, healthcare, and education receive less attention (Eccles et al., 2011). These sectors have different sustainability challenges, including ethical issues related to customer data and social responsibility. Theoretical frameworks need to be extended to better address the unique sustainability reporting practices and challenges faced by service-based industries (Aureli et al., 2022).

4. 2 Emerging Economies

a. Developing Countries

Existing theories often focus on developed economies, leaving a gap in understanding how sustainability reporting is implemented and perceived in developing countries (Amran & Haniffa, 2011). In these regions, regulatory frameworks, institutional pressures, and resource constraints significantly influence sustainability reporting practices. Research needs to address how theoretical models can be adapted to the context of emerging economies, where regulatory environments and stakeholder expectations may differ substantially (Belal & Momin, 2009).

b. Transition Economies

Theoretical literature also lacks coverage of transition economies, which are undergoing significant economic and institutional changes (Bouten et al., 2012). These economies face unique challenges and opportunities in sustainability reporting as they move from centrally planned to market-oriented systems. Understanding how theories of sustainability reporting apply to transition economies and how they might be modified to reflect these unique contexts is a critical area for future research (Kasznik & McNichols, 2002).

4.3 Limitations of Current Models

a. Integration with Financial Reporting

While theories like stakeholder and legitimacy theories provide valuable insights into sustainability reporting, they often fail to address the integration of sustainability information with financial reporting (Higgins & Larrinaga, 2014). Integrated reporting is gaining traction, but current theoretical models do not fully capture how organizations balance financial and non-financial disclosures, nor do they address the challenges of creating a cohesive narrative that meets both regulatory requirements and stakeholder expectations (Stubbs & Higgins, 2014).

b. Impact Measurement and Evaluation

Theoretical models of sustainability reporting frequently overlook the challenges associated with measuring and evaluating the impact of sustainability practices (Adams, 2017). While frameworks like the Global Reporting Initiative (GRI) provide guidelines for reporting, they do not always offer robust methods for assessing the actual impact of sustainability initiatives. Research is needed to develop theories that address the complexities of impact measurement and provide practical solutions for evaluating sustainability performance (Tschopp & Nastanski, 2014).

c. Credibility and Assurance

Current theories often assume that sustainability reports are credible and trustworthy, but they do not adequately address issues related to report verification and assurance (Boiral, 2013). Theories need to explore how third-party assurance affects the credibility of sustainability reports and how organizations can address concerns about greenwashing and transparency (Mahoney et al., 2013).

4.0 Trends in Sustainability Reporting

4.1 Global Growth and Sectoral Adoption

The adoption of sustainability reporting has grown significantly across industries, particularly in high-impact sectors such as energy, manufacturing, and mining, where environmental and social risks are more prominent (KPMG, 2020). Studies indicate that companies in these sectors are more likely to provide detailed sustainability disclosures due to stakeholder pressure and regulatory demands (Hahn & Kühnen, 2013). In contrast, service-based industries like finance and retail have been slower to adopt comprehensive sustainability reporting practices, though this trend is shifting as stakeholders increasingly expect transparency from all sectors (Eccles et al., 2011).

4.2 Regional Differences

Sustainability reporting practices vary significantly across geographic regions. In Europe, where regulatory frameworks such as the EU Non-Financial Reporting Directive (NFRD) mandate sustainability disclosures, companies tend to have more comprehensive reporting (La Torre et al., 2020). In contrast, regions like North America and Asia have seen a more voluntary approach, although regulatory efforts are increasing, particularly in sectors like finance, where sustainability risks are becoming more apparent (PwC, 2021). Developing countries, particularly in Africa, lag in the adoption of sustainability reporting, with lower levels of formal disclosures due to weaker regulatory frameworks and resource constraints (Amran & Haniffa, 2011).

4.3 Reporting Frameworks and Standards

The adoption of global reporting frameworks, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), has become a common practice for many organizations (Lozano, 2013). These frameworks provide standardized guidelines that allow companies to report on environmental, social, and governance (ESG) issues in a consistent manner. Integrated reporting, combining financial and non-financial data, is gaining momentum, particularly in South Africa and Australia, where it is mandated or strongly encouraged (Jensen & Berg, 2012).

4.4 Emerging Trends and Innovations

a. Digital Transformation

The digital transformation of reporting practices, including the use of blockchain and artificial intelligence for sustainability reporting, represents an emerging trend that is not fully covered by existing theories (Hazen et al., 2014). The integration of advanced technologies in sustainability reporting presents both opportunities and challenges that need to be explored through updated theoretical frameworks.

b. Climate Change and Resilience Reporting

Theoretical models need to better address the growing importance of climate change and resilience reporting. While climate-related disclosures are becoming more common, theories do not always capture the nuances of how organizations assess and report on their climate-related risks and opportunities (Serafeim, 2020). Future research should focus on developing theories that incorporate climate resilience as a core component of sustainability reporting.

5.0 Future Directions for Research

To advance the understanding of sustainability reporting and address current gaps in the literature, future research should explore emerging theories, new perspectives, and interdisciplinary approaches. These directions can help create a more comprehensive and nuanced view of sustainability reporting in a dynamic global context.

5.1 Emerging Theories and New Perspectives

a. Adaptive Systems Theory

Proposal

Adaptive Systems Theory could be developed as a new framework to understand sustainability reporting. This theory emphasizes the dynamic and evolving nature of organizational systems in response to internal and external changes (Holland, 1992). By viewing sustainability reporting as an adaptive process, researchers could explore how organizations continuously adjust their reporting practices to respond to emerging sustainability challenges and stakeholder expectations.

Justification

Traditional theories often view sustainability reporting as a static practice influenced by external pressures or internal strategies. An adaptive systems perspective would

offer a more dynamic view, accounting for how organizations learn from feedback, innovate, and adjust their reporting practices over time (Lewin, 1997). This approach could provide insights into how companies navigate changing regulatory environments, technological advancements, and shifting stakeholder demands.

b. Complexity Theory

Proposal

Complexity Theory could be applied to explore the multifaceted nature of sustainability reporting. This theory focuses on understanding how complex systems, composed of interrelated and interacting components, behave in unpredictable ways (Mitchell, 2009). Research could investigate how sustainability reporting evolves within complex organizational and societal systems, considering factors such as organizational culture, global trends, and cross-sector interactions.

Justification

Existing theories often simplify the sustainability reporting process, overlooking the intricate interactions and feedback loops between various stakeholders and reporting practices. Complexity Theory could provide a framework for examining these interactions in more depth, revealing how changes in one part of the system can influence overall reporting practices (Stacey, 1996).

c. Critical Theory and Post-Colonial Perspectives

Proposal

Critical Theory and Post-Colonial Perspectives could be integrated into sustainability reporting research to examine issues related to power, inequality, and historical context. This approach would critically assess how sustainability reporting practices reflect and reinforce existing power structures and inequalities, particularly in a global context (Habermas, 1987; Said, 1978).

Justification

Traditional theories often assume that sustainability reporting practices are universally applicable and objective. By incorporating Critical Theory and Post-Colonial Perspectives, researchers can uncover how reporting practices may be influenced by historical, political, and cultural factors, revealing power dynamics and addressing inequalities in reporting practices (Spivak, 1999).

5.2 Interdisciplinary Approaches

a. Economics and Environmental Science

Proposal

Integrate insights from economics and environmental science to develop models that better account for the economic implications of sustainability reporting and the environmental impact of reported activities. Research could focus on how economic incentives and environmental performance metrics influence reporting practices and decision-making.

Justification

Economic theories often emphasize cost-benefit analyses, while environmental science provides insights into ecological impacts. Combining these perspectives could lead to more accurate models for evaluating the effectiveness and efficiency of sustainability reporting, bridging the gap between economic performance and environmental sustainability (Boulding, 1966; Daly, 1996).

b. Sociology and Political Science

Proposal

Explore the role of social and political contexts in shaping sustainability reporting through interdisciplinary research combining sociology and political science. This could involve studying how social norms, political regulations, and governance structures influence reporting practices and stakeholder engagement.

Justification

Sociology offers insights into social norms and organizational behavior, while political science provides an understanding of regulatory frameworks and governance. By integrating these perspectives, researchers can gain a deeper understanding of how social and political factors impact sustainability reporting and how organizations navigate these influences (Foucault, 1978; Habermas, 1987).

c. Innovation and Technology Studies

Proposal

Investigate the impact of technological innovations on sustainability reporting practices through research that combines insights from innovation studies and technology management. This could include examining how emerging technologies such as blockchain, artificial intelligence, and data analytics are transforming sustainability reporting.

Justification

Technological advancements have the potential to significantly impact sustainability reporting by enhancing data accuracy, transparency, and real-time monitoring. Researching these innovations from an interdisciplinary perspective can provide a better understanding of how technology influences reporting practices and how organizations can leverage these advancements for improved sustainability performance (Brynjolfsson & McAfee, 2014).

Future research should embrace emerging theoretical frameworks that offer dynamic, complex, and critical perspectives on sustainability reporting. Additionally, interdisciplinary approaches that combine insights from various fields can provide a more holistic understanding of the factors influencing sustainability reporting practices. By addressing these future directions, researchers can enhance the theoretical foundation of sustainability reporting and contribute to more effective and meaningful reporting practices in a global context.

6.0 Conclusion

The literature review on sustainability reporting underscores the critical role that theoretical frameworks play in shaping both the understanding and practice of

sustainability reporting. This review highlights several key findings that reinforce the importance of a robust theoretical foundation in this field.

Key Findings

6.1. Importance of Theoretical Frameworks

The review demonstrates that a variety of theoretical frameworks, including stakeholder theory, legitimacy theory, and institutional theory, provide valuable insights into the motivations, practices, and challenges of sustainability reporting. These theories help explain why organizations engage in sustainability reporting, how they structure their reports, and how they address stakeholder expectations and regulatory requirements.

6.2 Evolving Theoretical Perspectives

Emerging theories such as Adaptive Systems Theory and Complexity Theory offer new perspectives on how organizations navigate the dynamic and complex nature of sustainability reporting. These frameworks provide a more nuanced understanding of the continuous adaptation and interaction between reporting practices and external pressures, including regulatory changes and stakeholder demands.

6.3 Gaps and Limitations

The review identifies several gaps in the literature, such as underexplored sectors (e.g., technology and digital sectors), emerging economies, and the integration of sustainability reporting with financial reporting. These gaps highlight the need for new or modified theoretical frameworks to better capture the diverse contexts and challenges of sustainability reporting.

6.4 Interdisciplinary Approaches

The integration of insights from various disciplines—such as economics, environmental science, sociology, and political science—can enhance the understanding of sustainability reporting. Interdisciplinary research offers a more holistic view of how different factors influence reporting practices and how organizations can address complex sustainability issues.

6.5 Implications for Future Research

a. Development of New Theoretical Models

Future research should focus on developing or refining theoretical frameworks to address identified gaps and limitations. This includes exploring new theories that account for the dynamic and complex nature of sustainability reporting and adapting existing theories to better fit emerging sectors and economies.

b. Addressing Gaps in Literature

Researchers should prioritize areas that are currently underexplored, such as the impact of emerging technologies on sustainability reporting, the challenges faced by service-based industries, and the reporting practices in developing and transition economies. Addressing these gaps will provide a more comprehensive understanding of sustainability reporting practices and their effectiveness.

c. Embracing Interdisciplinary Perspectives

To gain a deeper understanding of sustainability reporting, future research should adopt interdisciplinary approaches that combine insights from various fields. This can help develop more integrated and practical solutions for addressing the complexities of sustainability reporting and improving corporate practices.

d. Informing Corporate Practices

Theoretical insights from research can guide organizations in enhancing their sustainability reporting practices. By applying robust theoretical frameworks, companies can better align their reporting with stakeholder expectations, regulatory requirements, and best practices. This can lead to more transparent, credible, and effective sustainability reporting that supports organizational sustainability goals and enhances stakeholder trust.

A strong theoretical foundation is essential for advancing the field of sustainability reporting. By addressing existing gaps, exploring new theoretical perspectives, and integrating interdisciplinary insights, researchers can contribute to a more comprehensive understanding of sustainability reporting. These insights will not only inform future research but also help organizations enhance their reporting practices, ultimately supporting their sustainability objectives and improving their overall impact.

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Effectiveness of Organisational Culture Traits on the Performance Of Non-Academic Staff In Ekiti State University, Ado-Ekiti, Nigeria

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ABSTRACT

The study examined the effectiveness of organisational culture traits on the performance of non-academic staff in Ekiti State University, Ado-Ekiti. Specifically, the study determined the effect of involvement trait, consistency trait, adaptability trait and mission trait on performance. A descriptive survey research design was adopted for the study. N0n-Academic Staff of Ekiti State University in Ado-Ekiti constituted the study population. The sample size was 331 which were selected through Yamane sampling model. Primary data used for the study were gathered through a structured questionnaire. Data gathered were analyzed using regression model. The result showed that involvement trait positively affects performance; it further showed that consistency trait affects performance; it further showed that adaptability trait affects performance; furthermore, it showed that mission trait affect performance positively concluding that organizational culture traits positively affect performance.

Keywords: Culture, Traits, Organisation, Performance

1.0 Introduction

Both the underlying organisational culture and personnel productivity have a significant impact on a company's performance. An organisation's values, beliefs, presumptions, and social norms that develop over time and contribute to the development of a particular functional psychological and social environment that supports the company's services are collectively referred to as its organisational culture (Nzuva & Kimanzi, 2022). To improve organisational performance, organisational management can, nevertheless, reshape the culture of the organisation as they see fit. Accordingly, Schein (2011) clarifies that an organisation's organisational culture has the power to influence employees' attitudes and behaviours in either a positive or negative way. Businesses are eager to win over employees' dedication, which boosts output. The management aims to acquaint staff members with the standards, principles, and goals of the company, emphasising the significance of comprehending the organisational culture. It is the management's duty to inform the staff members about the organisational culture, which will help them become acquainted with the structure of the company. It is the management's duty to inform

the staff members about the organisational culture, which will help them become acquainted with the structure of the company. Management needs to make a constant effort to maintain the organisation's learning atmosphere. An enhanced comprehension of the organisational culture ought to result in better performance from employees. In terms of organisational development, worker performance is regarded as the industry's backbone. Thus, companies want to gain the allegiance of their workforce (Shahzad, Luqman, Khan & Shabbir, 2012).

Organisations hope that by creating a watchful organisational strategy, they will be able to effectively achieve greater results. On the other hand, organisational structures, management practices, organisational leadership, and organisational culture transformation all need to be in sync for an organisational strategy to be implemented successfully. An organisation's internal capacity to carry out its mission effectively throughout the short, medium, and long terms is developed through its organisational culture, which is intimately linked to productivity and essential to corporate success. Since performance directly contributes to employee growth, it is seen as the foundation of the company. Knowing and understanding the culture that enhances organisational behaviour is essential for maintaining employee loyalty (Brooks, 2006). Employee norms and values that are founded on management identification and that support better employee performance. Quality consciousness enhances employee and organisational development. Some unique aspects of organisational growth, based on their efficacy, can boost sustainability. Employee commitment is influenced by improved performance, and organisational culture is enhanced by norms, values, and objectives (Awadh & Saad, 2013).

Organisations have not yet experienced improved performance in spite of these focused efforts (Davidson, 2003; Zheng & McLean, 2010). According to Ogbor (2012), a lot of Nigerian organisations struggle with productivity issues. The researcher claims that there are a number of causes for this, including a vague goal, a lack of focus, unfavourable social circumstances, a high degree of bureaucracy, a lack of creativity, a poor vertical correspondence, a lack of cooperation, a subpar idea, and knowledge management. According to a study conducted on the consistency of some organisations, these establishments attribute their success to the distinctive cultural identity of their businesses (Omoregbe & Umemezia, 2017). According to Barney's (1986, 2011) research, it stands to reason that establishments that have effectively

cultivated a core set of values throughout time would be able to weather such turbulent times, maintaining their competitiveness and producing superior results. Therefore, the purpose of this research is to examine how organizational culture trait would affect the performance of non-academic staff in the context of Nigerian universities (Ekiti State University) located in the western part of the country, precisely Ekiti State, considering four germane factors adopted from the study of Zakari, Poku and Owusu-Ansah (2013) which are constituency traits, involvement traits, adaptability trait and mission trait.

1.1 Research Objectives

The research specific objectives are to:

i. examine the effect of involvement trait on the performance of non-academic staff in Ekiti State University, Ado-Ekiti;
ii. determine the effect of consistency trait on the performance of non-academic staff in Ekiti State University, Ado-Ekiti;
iii. investigate the effect of adaptability trait on the performance of non-academic staff in Ekiti State University, Ado-Ekiti;
iv. evaluate the effect of mission trait on the performance of non-academic staff in Ekiti State University, Ado-Ekiti.

2.0 Literature Review

2.1 Organizational Culture

Corporate or organisational culture is the set of values, customs, norms, assumptions, and beliefs that, although not often spoken out loud, influence how people behave and carry out tasks in organisations. Values are the things that are seen to be significant regarding the behaviour of individuals and groups. The unspoken guidelines for behaviour are called norms (Armstrong, 2011). The concept makes clear that subjective aspects of organisational activities are the focus of organisational culture. It alludes to impersonal concepts like standards and principles that permeate all or a portion of an organisation but aren't always clear-cut, well-defined, or even apparent. An organisation's common assumptions, values, and beliefs serve as a guide for employees regarding acceptable and unacceptable behaviour. This is known as the organisational culture. Both organisational performance and employee conduct are significantly impacted by these principles. According to Nganga and Nyongesa (2012), organisational culture is the particular set of shared values and conventions

that govern how individuals and groups within an organisation interact with one another and with stakeholders outside the organisation. Organisational values are views and conceptions about the kinds of objectives that members of the organisation need to strive towards, as well as notions about the proper behaviours that members of the organisation ought to exhibit in order to accomplish these objectives. Organisational values provide norms, policies, or expectations that specify acceptable employee behaviour in specific circumstances and regulate how members of the organisation interact with one another (Black, 2003).

For workers trying to make sense of their surroundings, organisational culture offers a framework of meaning (Parker, 2006). Therefore, organisational culture acts as a medium through which the organisation influences a person's identity and behaviour. It does this by assisting people in assimilating into particular norms and behavioural patterns as well as by offering socially accepted viewpoints that foster consistency in the workplace (Kelepile, 2015). Similar to this, Ahmed and Shafiq (2014) characterise organisational culture as the collective mental programming that sets one organisation's members apart from another. The unwritten practices, attitudes, and behaviours that establish the "rules of the game" for authority, structure, and decision-making make up an organisation's culture. It is founded on the organisation's common history, customs, and contemporary leadership principles. The way we conduct business here and the organisational survival strategies that promote integration and individual achievement are, in essence, determined by culture (Dave & Urich, 2011). Employees that work for a company with a strong organisational culture also act because they think it's the right thing to do and because they anticipate rewards for their efforts. A set of beliefs and conceptions, traditions, rituals, protocols, and behaviours for interacting within a particular macroculture are all included in organisational culture. A company's beliefs, ethics, code of conduct, knowledge, skills, training, and education can all contribute to its culture. Employees in a company with a strong culture adhere to the same standards of behaviour and beliefs, which should enable them to fulfil the objectives and goals of the company (Hsu, 2014).

2.2 Dimension of Organisational Culture Trait

Zakari, Poku and Owusu-Ansah (2013) highlighted the four germane cultural traits of Denison's model of culture which are concrete activities usually rooted in the values of the organisation. The factors are consistency trait, adaptability trait, mission trait and involvement trait.

Involvement Trait

The degree to which people at all organisational levels are committed to pursuing the mission and cooperating to achieve organisational goals is known as involvement. This characteristic is the development of human potential, accountability, and ownership. Organisations foster human capabilities at all levels, empower their workforce, and structure themselves around teams (Becker, 1964; Lawler, 1996). Managers, staff members, and executives all have a strong sense of ownership over the company and are dedicated to their work. Individuals at all levels believe that decisions affecting their job are at least partially within their control and that their work is closely related to the objectives of the company (Spreitzer, 1995). When empowerment is prioritised over capability development, it may be a sign that competent workers are not given significant decision-making authority that affects their job. If this is not addressed, competent workers may become irate that their abilities are not being properly exploited and may decide to leave the company in search of greater chances elsewhere.

Consistency Trait

The fundamental principles of the company and the internal mechanisms that promote problem-solving, effectiveness, and efficiency at all levels and beyond organisational borders are what constitute consistency. Additionally, "strong" cultures that are extremely dependable, well-coordinated, and well-integrated are another reason why organisations are typically productive (Saffold, 1988). The basic idea is that internalised values serve as the foundation for implicit control systems, which are more effective at establishing coordination than external control systems that depend on explicit rules and regulations (Pascale, 1985; Weick, 1987). This kind of consistency, which comes from a shared perspective and a high degree of conformance, is a potent source of stability and internal integration (Senge, 1990).

Adaptability Trait

The ability of a business to assess its external environment and adjust to the constantly shifting needs of its stakeholders and customers is known as adaptability.

Organisations are supported by a set of norms and beliefs that enable them to recognise, understand, and convert signals from their surroundings into internal behavioural adjustments that improve their chances of surviving and expanding (Denison, 1990). Paradoxically, well-integrated organisations are frequently the hardest to modify (Kanter, 1983). Customer-driven, risk-taking, and learning-from-mistakes organisations that are adaptable have the skills and background necessary to effect change (Nadler 1998, Senge 1990, Stalk 1988). A company may be adept at satisfying present customer demands, but it is unlikely to be making plans for future requirements or guiding customers towards what they might want in the future if customer focus is prioritised over change management and organisational learning.

Mission Trait

The degree to which an organisation and its members are aware of its goals, their intended route, and the ways in which each member can contribute to the success of the organisation is referred to as their mission. Organisational goals and strategic objectives are clearly defined by the purpose and direction of successful organisations. They articulate the future vision of the organisations (Mintzberg, 1987; Hamel & Prahalad, 1994). There are changes in other facets of an organisation's culture when its fundamental mission is altered. An institution may struggle to carry out or operationalise its purpose if its strategic direction, intent, and vision are more important than its goals and objectives. Some talented visionaries might find it challenging to make their dreams come true. A company is usually competent at execution but lacks a true sense of direction, purpose, or long-term planning when goals and objectives take precedence over strategic direction, intent, and vision.

2.3 Performance

One of the key ideas in management and the focal point of the majority of managerial responsibilities is organisational performance. The total accomplishments made by a firm or departmental unit can be referred to as organisational performance (Amin, 2017). These accomplishments entail the accomplishment of an organisational objective in a specific time frame, such as a short time frame or a longer time frame (Lee & Huang, 2012). Organisational development and growth are linked to the idea of organisational performance (Ahmed & Shafiq, 2014). The degree to which an employee fulfils the objectives and ambitions of the organisation is referred to as

organisational performance (Cascio, 2006). According to the established performance measures of an organisation, organisational performance assesses the level of efficacy and efficiency (Rogers, 2016).

According to Cascio (2006), performance is the extent to which an employee fulfils the goals of their employment at work. Diverse researchers hold varying opinions regarding performance. According to Daft (2000) and Richardo (2001), organisational performance is the result of accomplishing goals and objectives inside an organisation. Richardo (2001) proposed that the construction of an effective employee performance management system paves the way for an organisation's success, which is characterised by a high return on equity. In the subject of human resources, the word "employee performance" is commonly used to describe an employee's capacity to accomplish organisational objectives in a more effective and efficient manner. It includes all aspects that have an impact on and are related to the employees' work, either directly or indirectly. It is one measure of work results that takes into account individual traits such as aptitude and experience, organisational supports such as resources and technology, and work effort, as well as the point at which individual motivation is directly involved. Employee performance may alternatively be defined as the aggregate value of an organisation's set of behaviours to which an employee contributes both directly and indirectly in order to achieve organisational goals (Stephen & Stephen, 2016).

2.4 Empirical Evidence of Organisational Culture and Performance

Saad and Abbas (2018) used a quantitative study tool to analyse the impact of organisational culture on job performance in Saudi Arabia's public sector. The findings revealed a positive association between organisational culture and job performance. Similarly, four organisational culture sub-elements, namely managing change, attaining goals, coordinating teamwork, and cultural strength, were found to have a favourable impact on employee performance. This is reinforced by Joseph and Kibera (2019), who used a descriptive cross-sectional survey design, factor analysis, and hierarchical regression to assess the impact of organisational culture on the performance of microfinance institutions in Kenya. The findings suggested that organisational culture has a considerable impact on non-market performance. Adebayo, Worlu, Moses, and Ogunnaike (2020) used variance-based structural

equation modelling with partial least squares for path-modelling to investigate an integrated organisational culture for sustainable environmental performance in Nigeria. The findings give empirical evidence that corporate culture has a major impact on environmental performance.

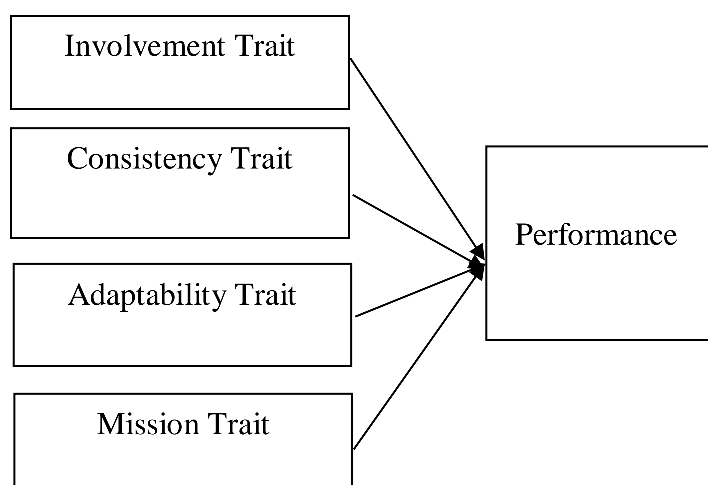
2.5 Theoretical Framework

The Ecological Adaptation Theory

This paradigm defines culture as a set of socially transmitted behavioural patterns that help people relate to one another and to their surroundings (Nahemow, Lawton & Centre, 2016). This concept views organisational culture as a sociocultural system that can take several shapes but must adapt to current societal norms, environmental conditions, and political circumstances. Furthermore, experts that embrace this theory contend that the prevailing societal culture influences an organisation's processes and operations, which is another contingency component. Nonetheless, organisational culture is a social system that must be altered throughout time to fit changing contexts since it influences the overall outcomes of many operations and activities (Nahemow *et al*., 2016). As a result, different institutions may represent varying levels of societal ideals. As a result, similar to the structural-functionalist viewpoint, organisational culture can be viewed as a subsystem that, while distinct from the surrounding societal values, evolves over time to accommodate changes in the external and internal environments that affect how the organisation operates. This theory will be especially useful in determining how organisational culture has changed over time in response to the current circumstances.

2.1.5 Conceptual Framework

Relationship between Organisational Culture Trait and Performance



Source: Adopted from Zakari, Poku and Owusu-Ansah (2013)

The model framework depicts the relationship between organisational culture trait and performance, thus decompose organizational culture trait into mission traits, adaptability trait, consistency traits and involvement traits on performance. This is because all factors of organisational culture are embedded in these four factors of Denison's model of culture which makes these traits very germane. This implied that the aforementioned traits tend to positively affect organisational performance of non-academic staffs in Ekiti State University.

3.0 Methodology

The study was carried out in Ekiti State. The research design for this work is a survey research design which involves findings of representative sample and making inferences to describe systematically a situation or an area of interest factually or accurately. As a result, a survey research design was adopted in this research work with the aid of a structured questionnaire to elicit information aimed at investigating and examining organization culture on performance. For this research work, the type of data used was primary data which would be collected through the questionnaire from the target respondents.

The population of this study consisted of the total population of non-academic staff in Ekiti State University, Ado-Ekiti. However, the entire faculties in the school were covered. Therefore, the population for this study is one thousand nine hundred and twelve (1912) as indicated by the human resources record in Ekiti State University. Yamane sampling technique was adopted due to the huge population of non-academic staff in Ekiti State University. However, the entire faculties in the school were covered. However, 331 questionnaires were administered to all academic staff in Ekiti State University which cut across the entire faculty. The sample size this study is three hundred and thirty one (331) staff using Yamane (1967) model which is stated below.

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

$$n = \frac{1,912}{1+1,912(0.05)^2} \quad n = 331$$

Where n = sample size N = population; e = sampling error.

The data generated through the questionnaire was analyzed with the use of regression analysis for the objectives. It is noted that the t-statistics measure was used to test the hypothesis generated in this study.

Restatement of hypotheses to achieve the stated objectives

PBP= f (It, Ct, At, Mt)

Y = bo +b1It+ b2Ct+ b3At + b4Mt + Ui ……………….. eq (1)

Where Y= performance

B0= Intercept

It = Involvement Trait

Ct = Consistency Trait

At = Adaptability Trait

Mt = Mission Trait

Ui= Stochastic or Error Term

4.0 Data Analysis and Interpretation

4.1 Description of Respondent

Three hundred and thirty one (331) questionnaires were administered across various units in Ekiti State University while two hundred and nine (209) were filled and submitted for analysis. Table 1 shows 51.2% of the respondents are Male and 48.8% of the respondents are Female which implies most of the respondents are Male. Table 2 shows that 20.6% of the respondents were single and 79.4% of the respondents were married thus imply majority of the respondent were married. Table 3 shows that 85.6% of the respondents were B.Sc holder, 11% of the respondents were M.Sc holder while 3.3% of the respondents were Ph.D holder thus implies that majority of the respondent were B.Sc holders. Table 4 shows that 18.2% of the respondents falls below 5 years of experience, 64.1% of the respondent falls between 6-10 years of experience, 10% of the respondent falls between 11-15 years of experience and 7.7% of the respondent falls above 15 years and above thus implies that majority of the respondent falls below 6-10 years of experience.

Table 1: Respondents Demographic Distribution

Variables	Frequency	Percent

Gender		
Male	107	51.2
Female	102	48.8
Total	**209**	**100.0**
Marital Status		
Single	43	20.6
Married	166	79.4
Total	**209**	**100.0**
Educational Qualification		
B.Sc	179	85.6
MBA/M.Sc	23	11.0
Ph.D	7	3.3
Total	**209**	**100.0**
Working Experience		
Below 5	38	18.2
6-10	134	64.1
11-15	21	10.0
16 Above	16	7.7
Total	**209**	**100.0**

Source: Field Survey, (2024)

4.2 Interpretation of Results

Organisational Culture traits have no significant effect on the performance of Non-Academic Staff in Ekiti State University, Ado-Ekiti

Co-efficient of Multiple Determinants

Table 8 revealed that the regression co-efficient between performance and the explanatory variable organisational culture trait shows a positive figure of 0.710, this indicates that there is a very strong relationship between organisational culture trait and performance which implies that the explanatory variable (organisational culture trait) has a positive effect on performance. The co-efficient of multiple determinant

(R^2) with a co-efficient of 0.504 shows that the explanatory variable (organisational culture trait) can explain 50.4% of the behaviour of performance while the remaining 50.4.% can be explained by the stochastic variable or other variables that were not put into consideration. The adjusted R^2 further confirms the result of the R^2 with a co-efficient of 0.501, which shows 50.1% explanation of the behaviour of the performance by the explanatory variables after adjustment while the remaining 49.9% is explained by the error term.

The table 2 gives a summary of the regression result of the ordinal least square using SPSS 20.0 software. From the table it can be deduced that the value of constant parameter is given as 2.124 and organisational culture trait are given as involvement trait 0.612, consistency trait 0.531, adaptability trait 0.510 and mission trait 0.530 respectively. The regression result above shows that performance is constant at 2.124; this implies that if the explanatory variable is held constant, performance will increase by 2.124%. The co-efficient of organisational culture trait are given as involvement trait, consistency trait, adaptability trait and mission trait respectively, this shows that the consistency trait is positively related to performance and therefore implies that an increase in organisational culture trait will result in involvement trait 61.2%, consistency trait 53.1%, adaptability trait 51% and mission trait 53% all at 0.05 level of significance increases on performance.

Therefore, the regression line is stated below:

Performance = 2.124+0.612It +0.531Ct+ 0.510At + 0.530Mt

Table 2: Organisational Culture Traits and Performance

Variables	**Beta**	**Std Error**	**T-start**	**Sig**
Constant	2.124	.260	8.164	.000
Involvement Trait	.612	.064	10.489	.000
Consistency Trait	.531	.071	8.447	.000
Adaptability Trait	.510	.076	7.418	.000
Mission Trait	.530	.053	7.935	.000
R	.710			
R^2	.504			
Adj R^2	.501			
F*	67.060			

Source: Author's Field Survey, (2024)

4.3 Discussion of Findings

According to the result. Organisational culture trait scored on four variables which are involvement trait, consistency trait, adaptability trait and mission trait. However, these variables were subjected into regression analysis. Based on the regression coefficient (R, R^2 Adj R^2), there exist a very strong effect of organisational culture trait on performance. It is also visible from the research findings of the whole study that involvement trait has positive effect on performance, consistency trait has positive effect on performance, adaptability trait has positive effect on performance and that mission trait has positive effect on performance all at 0.05 level of significance. From the findings, involvement trait has the highest effect on performance, follow by consistency trait, mission trait and adaptability trait. From the tested hypothesis, alternate hypothesis was accepted while null hypothesis was rejected which the findings is related to the work of Joseph and Kibera (2019) who determined the influence of organizational culture on the performance of microfinance institutions in Kenya. The results demonstrated that organizational culture has a significant influence on non-market performance.

5.0 Conclusion and Recommendations

This research examined the effectiveness of organisational culture trait on the performance of Academic Staff in Ekiti State University, Ad-Ekiti. Based on the results, it was revealed that the entire organisational culture traits measures have Positive and significant effect on performance at 0.05 level of significance. The organisational culture trait components adopted are involvement trait, consistency trait, adaptability trait and mission trait. The alternate hypothesis was accepted while the null hypothesis was rejected thus concluding that organisational culture traits significantly influence the performance of non-academic staff in Ekiti State University, Ado-Ekiti.

Recommendations

Based on the findings, the following recommendations were made:

i. Since the involvement attribute was discovered to have a major impact on performance, it is advised that the management of Ekiti State University promote individual collaboration and direct this effort towards the institution's objective.

ii. To improve staff effectiveness and efficiency, adequate resource coordination should also be made sure of. On the other hand, these qualities will help people solve problems internally.

iii. It has also been discovered that the attribute of adaptability has a beneficial impact on performance; as a result, it is advised that university administration cultivate the habit of monitoring the surroundings to recognise any changes in the environment and take proactive measures in a volatile setting such as Nigeria.

iv. Lastly, university administration needs to make sure that the organisation's mission is operationalised and that the completion of the mission is understandable to academic staff.

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Impact of Compensation Practices on Employees' Productivity in the Selected Universities in Southwest, Nigeria

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Abstract

This study examined the impact of compensation practices on employees' productivityin the selected Universities in Southwest, Nigeria. Descriptive research design was adopted while a sample of 770 respondents was drawn from a population of 25,934 employees of the selected public and private universities in Southwest, Nigeria. The respondents were selected using stratified random sampling technique. The data collected was analysed using structural equation modeling (SEM). The result of the structural equation model reveled that salaries, promotion, employee participation and supportive system culture are important in motivating employees for higher productivity in the selected universities in Southwest, Nigeria. However, evidence shows that allowances, bonuses and training do not significantly affect employees' productivity in the selected universities

***KEY WORDS: Job Satisfaction, Compensation Practices, Employees'* Productivity.**

1.1 Introduction

Human Resources Management (HRM) is the part of the management that is concerned with the "people" dimension (DeCenzo & Robbins 1996). This is true, regardless of the type of organisation, government, business, education, health, recreation, or social action. Getting and keeping good people is critical to the success of every organisation. According to Ali (2013), HRM is an approach consisting of four functions: staffing, training, development and compensation, and four activities; getting people, preparing them, stimulating them, and keeping them. Mohammad, Miah, Rahman and Rahaman (2017) opined that Human Resource (HR) is considered to be a significant and a critical area of management; including HR practices in the western world in the past few years. The effect of HR practices on performance and job satisfaction has been attracting a considerable attention globally since the past 25 years. Compensation, which is an integral part of HRM, is an essential ingredient in the success of every institution. Good compensation provider might be best employers in the competitive world. As a result, understanding the factors that motivate employees for better performance is a sure way to productivity improvement. Therefore, for improved productivity, growth and efficiency every organisation must as a matter of necessity motivate and take good care of their workers. Compensation policy on the other hand is cardinal when organization productivity is being reviewed.

This is because compensation in any system dictates the pace and direction of productivity. This implies that organization's productivity depends on the level of motivation or compensation schemes available. Majority of employees, therefore, would wish to equate their output in terms of productivity with the level of motivation generated from the incentives they get at workplace.

Compensation is a useful instrument in the hand of the management to contribute to the organisational effectiveness and can impact positively on the behaviour and productivity of employees (Adeoye & Fields 2014). Management in modern-day academic institutions requires special efforts to acquire and retain highly skilled employees to operate effectively in an extremely competitive environment. To remain competitive in today's education sector, a university must retain its employees in order to increase productivity. Retaining employees means offering competitive compensation (both financial and non-financial), which should encourage its employees to work well and increase productivity on the market as part of human capital development. Academic and non-teaching staffs are the employees of the educational organisations and their job satisfaction promotes teaching and learning.Osinbanjo, Abiodun and Fadugba (2012) asserted that the shortage of academic and non-teaching staff and inability for higher education institutions to attract and retain highly qualified talent is a critical phenomenon in tertiary education. Employees are key players in moving university institutions to achieving their goals and objectives of molding students to excel in examinations and eventually succeed in life. Employees, therefore, need motivation to enhance their level of job satisfaction in order to undertake their duty effectively and increase productivity. Despite the various compensation practices in the Nigerian Universities, the issue of employees' satisfaction which could invariably increase productivity is still a challenge, (Adamu and Ngwo, 2014). This is attested to by the strike actions being carried out from time to time by the various unions within the university system in Nigeria, (Adavbiele, 2015). The study of Ogbette, Eke and Ori (2017) on the causes, effects and management of Academic staff Union of Universities (ASUU) strikes in Nigeria affirmed that the major causes of conflict and strike actions in universities are poor compensation practices in terms of wages and working conditions.

From the available literature, evidence abounds that there have been some studies on compensation practices, job satisfaction and employees' productivity in other sectors of the economy. Studies by Balkin and Gomez-Mejia (1990); Wurim (2012); Yamaoh (2013); Bustamam, Teng and Abdullah (2014); Adeoye and Fields (2014); Rubel and Kee (2015) affirmed this. In addition, a number of studies have been conducted to examine the impact of compensation practices on employees' productivity in the area of education sector (Kiruja & Elegwa, 2013; Njoroge & Kwasira, 2015; Muhammad, Sarfaraz, Syed, Mehboob & Daisy, 2017;Ojeleye, 2017; Hashim, Rafi, Ullah and Kee, 2017;Ndungu, 2017; Kumur & Hedge, 2018; Omuya, 2018). Although, the effect of compensation practices on employees' productivity was highlighted in these studies, a critical assessment of the literature reviewed shows conflicting findings and conclusions. . Hence, there is need to assess the impact of compensation practices on employees' productivity in Nigeria Universities.

3.0 Methodology

Research Design

The study employed descriptive survey research design to find out the effects of compensation and job satisfaction on employees' productivity among the universities' academic and non-teaching staff.
Preliminary study conducted by the researcher indicates that the privately and publicly owned universities in the Southwest Nigeria attracted a total population of 25,934 academics and non-teaching staff as obtained from the Registry Department of each institutions in 2018
Inferential statistical techniques were employed. Stratified and random sampling techniques were employed. Data were collected from a total of 770 academic staff and non-teaching staff of twelve selected public and private universities in Southwest Nigeria. Out of 770 questionnaires, 696 were returned back recording a response rate of 87.53%. Structural Equation Model (SEM) was used to analyse data in the study.

Model Specification and Estimation

To investigate the impact of compensation practices on employees' productivity in selected Universities in Southwest, Nigeria' multiple regression model was specified following Mabaso and Dlamini, (2017) .
EP=
(CP)…………………………………...………………………………………..(1.1)

Where, CP is specified as:

CP = SA, AL, BO, PR, TR, SSC, EP……..………..…………………………………. (1.2)

However, the two functional models are:

EP = *f* (SA, AL, BO, PR, TR, SSC, EP)……………..……………………......……....(1.3)

Where: EP=Employees' Productivity, CP=Compensation practices, SA=Salaries, AL=Allowance, BO=Bonus, PR=Promotion, TR=Training Opportunities, SSC= Supportive System Culture and EP=Employee Participation.

The econometrics model is specified as:

$EP= \lambda o + \lambda_1 SA+ \lambda_2 AL + \lambda_3 BO + \lambda_4 PR + \lambda_5 TR + \lambda_6 SSC + \lambda_7 EP+ \mu$........................ (1.4)

Where:

λo= *Intercept,* where $\lambda_1, \lambda_2, \lambda_3, \lambda_4$ and λ_{10} = Coefficients of SA, AL, BO, PR, TR, SSC *and* , PE, μ = Error term.

4.0 Results

Compensation practices in the selected universities

The compensation practices in the selected universities are viewed from two perspectives-financial and non-financial compensations. The perception of the respondents is presented in the subsequent Tables.

4.1 Financial compensation practices

The financial compensation practices consist of salaries, allowances and bonuses. Results in Table 1.1 shows that most of the respondents disagreed (3.12) as to the question on whether the salary paid by the employer meets the immediate needs of the staff. However, there is agreement (4.12) that 'there is prompt payment of salaries by the institutions'. Also, the respondents agreed (3.97) that ''due salary of staff is paid without unexplained deduction''. The highest mean was 4.24 which correspond to "my salary is commensurate with my responsibility in the office". The overall remark alludes to decision that salaries constitute an important part of compensation for employees in the universities.

Table 4.1 Descriptive analysis of Salaries

	Mean*	S.D	Remark
The salary paid by the employer meets the immediate needs of the staff	3.12	0.769	Disagreed
There is prompt payment of salary by the institutions	4.12	0.880	Agreed
The due salary of staff is paid with explained deduction	3.97	0.834	Agreed
My salary is commensurate with my responsibility in the office	4.24	0.890	Agreed

Source: Field Survey, 2024

In Table 1.2, decisions of respondents on allowances are presented. The highest mean was 4.00 which correspond to "the university system ensures prompt payment of staff allowances". There are respondents' agreement (3.38) that 'allowances and benefits are paid based on individual results and commitment'. They disagreed (3.40) that 'allowances and benefits are paid based on team results. However, the results showed agreement (3.67) that ample opportunity exists to earn adequate allowance in the selected universities.

Table 1.2 Descriptive analysis of Allowances

	Mean	S.D	Remark
The university system ensures prompt payment of staff allowances	4.00	0.778	Agreed

Allowances and benefits are paid based on individual results and commitment	3.38	0.729	Agreed
Allowances and benefits are paid based on team results	3.40	0.883	Disagreed
There is ample opportunity to earn adequate allowance in my institution	3.67	0.957	Agreed

Source: Field Survey, 2024

Bonuses represent another form of financial compensation in the Nigerian universities. The results of perception of respondents on bonuses are presented in Table 4.8. There is agreement (3.91) of the respondents that reward system in the universities is monetary. The highest mean was (4.06) which correspond to staff accomplishments in career and also bring about complementary financial payment. Other constructs in Table 4.8 are also agreed to by the sampled respondents.

Table 1.3 Descriptive analysis of Bonuses

	Mean*	**S.D**	**Remarks**
Every staff are rewarded with monetary based discretionary awards	3.91	0.866	Agreed
Accomplishments are rewarded with complementary financial payment	4.06	0.704	Agreed
The system motivates employees with better remuneration	3.85	0.857	Agreed
Bonuses are paid based on individual results and commitment	3.91	0.668	Agreed
Bonuses are paid based on team results	3.82	0.908	Agreed
There is ample opportunity to earn adequate bonuses in my institution	3.91	0.900	Agreed

Source: Field Survey, 2024

4.4.2: Non-financial compensation practices

The perception of respondents on non-financial compensation practices is presented in the sub-section below. The practices include promotion, training, supportive system culture and employee participation. The respondents agreed to all the constructs of promotion as shown in Table 1.4 Some of the constructs include giving the required attention to promotion system (4.15), the highest mean was (4.18) which corresponds to regular and periodic promotion activities for employees, fairness in promotion (3.97) and benefit of continuing education and development (3.82).

Table 1.4: Descriptive analysis of Promotion

	Mean	S.D	Remarks
Promotion system in the system is given the required attention.	4.15	0.558	Agreed
Employees are promoted on regular and/or periodic basis.	4.18	0.626	Agreed
There is fairness in promotion activities carried out in the system	3.97	0.904	Agreed
Each employee is given adequate training along his/her career path	3.97	0.797	Agreed
There is existence of mentoring structure in the system	3.91	0.900	Agreed
The employee benefit from continuing education and professional development	3.82	0.834	Agreed
There is review system to appraisal training needs of employees	3.94	0.851	Agreed

Source: Field Survey, 2024

The response of the sample on training is presented in Table 1.5. The respondents strongly disagreed on nearly on all the constructs of training of employees in the universities. They disagreed (2.41) that ‘‘institution conducts extensive training programs for its employees in all aspects of quality’’, and ‘‘employees in each job will normally go through training programs every year’’ (2.44). Based on the results, they also disagreed (2.47) that training needs are identified through a formal performance appraisal mechanism and also disagreed (2.44) on the existence of formal training programs to teach new employees the skills they need to perform their jobs. Furthermore, there is disagreement (2.62) that training needs identified is realistic, useful and based on the business strategy of the system.

Table 1.5: Descriptive analysis of Training

	Mean	S.D	Remarks
Our institution conducts extensive training programs for its employees in all aspects of quality.	2.41	1.328	Strongly disagreed
Employees in each job will normally go through training programs every year.	2.44	1.236	Strongly disagreed
Training needs are identified through a formal performance appraisal mechanism.	2.47	1.285	Strongly disagreed

There are formal training programs to teach new employees the skills they need to perform their jobs.	2.44	1.284	Strongly disagreed
Training needs identified are realistic, useful and based on the business strategy of the system.	2.62	1.256	Strongly disagreed

Source: Field Survey, 2024

Table 1.6 shows the descriptive statistics on supportive system culture. The respondents expressed different levels of agreement to all the constructs. The respondents agreed (M = 4.11) to the proposition that the institutions have well-organized and efficient compensation system. But there is disagreement on a number of propositions including existence of reward system that is applicable to all the employees in the system, equality of input of individual workers to the reward received from the system and to the proposition on whether additional inputs of the employees get rewarded by the system. The overall descriptive results show there is limited employee supportive system culture in most universities in Southwest, Nigeria.

Table 1.6: Descriptive analysis of Supportive system culture

	Mean	S.D	Remarks
The institution has a well-organized and efficient compensation system.	4.11	1.45	Agreed
The existing reward system is applicable to all the employees in the system.	3.4	0.45	Disagreed
The input of individual workers is equal to the reward they receive from the system.	2.8	0.17	Disagreed
Additional inputs of the employees get rewarded by the system.	2.7	0.32	Disagreed
The system allows subordinate to participate in decision taking.	3.89	0.51	Agreed
There is pleasantness of work environment	2.47	0.38	Disagreed
There is appreciation and recognition from the management	3.34	0.15	Disagreed
There are teamwork activities with the management	4.40	1.69	Agreed
Adequate facilities are provided for staff in the university (e.g. admin, and equipment support, refreshments, sports	3.09	0.53	Disagreed

club etc.)			

Source: Field Survey, 2024

Table 1.7 shows the level of employee participation in the selected universities. There is moderate level of agreement of respondents to all the constructs of employee participation as a form of non-financial compensation. The constructs agreed to by the respondents include opportunity to make decisions (3.79), participations in operations related decision (3.82), opportunity to suggest improvements (3.56) and encouragement to participate in problem solving matters (3.65).

Table 1.7 Descriptive analysis of Employee participation

	Mean	**S.D**	**Remarks**
Employees in this system are allowed to make decisions related to cost and quality matters.	3.79	1.20	Agreed
Employees in this system are asked by their superiors to participate in operations related decisions.	3.82	0.834	Agreed
Employees are provided opportunity to suggest improvements in the way things are done here.	3.56	0.824	Agreed
Employees' suggestions for system's improvement are always welcomed.	3.68	0.945	Agreed
Employees are encouraged to participate in problem solving matters.	3.65	1.012	Agreed

Source: Field Survey, 2024

Impact of compensation practices on employees' productivity in selected universities

To test this hypothesis, the respondents' scores on compensation practices (salaries, allowances, bonuses, promotion, training, employee participation and supportive system culture) and employees' productivity were computed and subjected to multiple regression analysis. The results are shown in Table 1.8. The results of the analysis was found to be significant with R square= 0.3573 showing that salaries, allowances, bonuses, promotion, training, employee participation and supportive system culture influence employees' productivity in the selected universities in Southwest, Nigeria. Adjusted R-squaredshowed that salaries, allowances, bonuses, promotion, training, employee participation and supportive system culture caused 0.3502 variance in

employees' productivity in the selected universities in Southwest, Nigeria. In other words, an estimated 35% of employees' productivity in the selected universities in Southwest is accounted for by salaries, allowances, bonuses, promotion, training, employee participation and supportive system culture when all other variables are held constant. The statistical significance of the multiple regression ($F=50.19$, $p=0.000$) shows that the model was significant as $p<0.05$ and $p<0.10$. The result means that we reject the null hypothesis and accept the alternative hypothesis.

Also, analysis from the multiple regressions of variables shown in table 1.8, the beta coefficient of salaries, allowances, bonuses, promotion, training, employee participation and supportive system culture showed the level of contribution of each independent variable to the dependent variable employees' productivity. From the table, salaries ($\beta=0.1506$, $p=0.000$), promotion ($\beta=0.1355$, $p=0.000$), employee participation ($\beta=0.1905$, $p=0.000$) and supportive system culture ($\beta=0.0666$, $p=0.038$) were significant. However, allowances ($\beta=0.0545$, $p=0.1245$), bonuses ($\beta= -0.0182$, $p=0.546$) and training ($\beta=0.0577$, $p=0.065$) were not significant. This result showed that the individual estimates of compensation practices suggests that salaries, promotion, employee participationand supportive system culture are the practices which have significant effect on employees' productivity at ($p<0.05$) in the selected universities in Southwest, Nigeria. The multiple regression of the model is shown below as:

$$EP=1.5330 +0.1506SA+0.0545\ AL -0.0182BO +0.1355PR+0.0577TR+0.1905EP+ 0.0666SSC$$

(Where: EP=Employees' Productivity, SA=Salaries, AL=Allowance, BO=Bonuses, PR=Promotion, TR=Training Opportunities, EP=Employee Participation and SSC= Supportive System Culture).

Table 1.8: Model Summary of Regression analysis for compensation practices on employees' productivity in the selected universities in Southwest, Nigeria

R square 0.3573					
Adjusted R square 0.3502					
	DF	Sum of squares	Mean square	F	Sig. of F
Regression	7	265.1168	37.8738	50.19	0.000
Residual	632	476.8768	0.7545		
Variables in the equation					
Variables		B	**Standard**	**T**	**Sig of t**

		error		
Salaries	0.1506	0.037	4.04	0.000
Allowance	0.0545	0.037	1.46	0.145
Bonuses	-0.0182	0.032	-0.60	0.546
Promotion	0.1355	0.027	4.94	0.000
Training	0.0577	0.031	1.85	0.065
Employee participation	0.1905	0.0379	5.02	0.000
Supportive system culture	0.0666	0.0319	2.08	0.038
Constant	1.5330	0.1550	9.89	0.000

Source: Output of Data Analysis (2024)

5.0 Conclusion and Recommendations

Conclusion

From the findings of data analysis in this study, the following conclusions were made:

That salaries, promotion, employee participation and supportive system culture are important in motivating employees for higher productivity in the selected universities in Southwest, Nigeria. However, evidence shows that allowances, bonuses and training do not significantly affect employees' productivity in the selected universities in Southwest, Nigeria. This may be so because bonuses and allowances may not always be spread across all employees at the same time, and the respondents may not see it as important ingredients to boost productivity. It may also be possible that training of staff is not being practiced in the selected universities in Southwest Nigeria hence; the employees do not perceive it to be significant to employees' productivity.

Recommendations

Based on the conclusions reached, the study makes the following recommendations:

i. Government and private universities owners are encouraged to ensure regular payment of salaries, timely and regular promotion, opportunity for employee participation and attractive supportive system culture to enhance employee productivity in Nigeria universities. Also, there is need to pay attention to bonuses, allowances and training as they may help to boost employees' productivity.
ii. Government and private universities owners should ensure that salaries are paid regularly and employees are given opportunity to participate as they are important factors relating to job satisfaction. Employers of labour should

also consider allowances, bonuses, promotion, training and supportive system culture as they may help in boosting job satisfaction.

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