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FROM THE EDITOR

Dear Reader,

This is the issue for 2021 and we expect to be able to publish the next issue in December 2022.

Most of the authors are PhD students and we encourage articles from both established academics, as well as prospective academics.

For past and future authors the good news is that we have been added to the EBSCO database system. The journal can be found in the EBSCO Business Source Complete database.

We hope you enjoy this issue and are looking forward to the next issue.

Best wishes

Viesturs Pauls Karnups
General Editor

PROPOSING A MODEL OF GREEN SUPPLY CHAIN MANAGEMENT BASED ON NEW PRODUCT DEVELOPMENT (NPD) IN AUTO INDUSTRY

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Abstract

The present study is an attempt to provide a model of green supply chain management based on new product development (NPD) in the auto industry. In the present study, the method of grounded theory has been used to develop a model. The required data were collected through interviews with academic experts, auto industry managers, and a review of documented meta-data and relevant reports. The sampling continued until the saturation of categories using theoretical sampling method. The research data were analysed simultaneously with the data collection during the three stages of open, axial and selective coding. This process led to the development of the green model of supply chain management following NPD in the auto industry based on the grounded theory. The findings of this study suggest that managers must carefully consider all categories and subcategories identified in this study and have the necessary and sufficient information about each item to implement the green supply chain management successfully based on NPD in the automotive industry. Moreover, this research indicates the need to pay attention to green supply chain management based on the development of new products in the automotive industry.

Keywords: Green Supply Chain Management, New Product Development (NPD), Automotive Industry

INTRODUCTION

In industrial companies, the green supply chain tries to benefit from green logistics and enhanced performance throughout the supply chain as a strategic

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instrument for sustainable competitive advantage. This attempt is made by creating utility and supply chain integration from an environmental perspective in the entire supply chain. The objectives are based on two important issues, namely green purchasing and green innovation (Wage et al., 2013). Nonetheless, environmental issues in supply chain management including product design, material selection and sources, manufacturing process, the delivery of the final product to the customer, product management after consumption, and its useful life cycle must be considered (Ansari and Sadeghi, 2014). Although the concepts of sustainable supply chain management and green supply chain management are often used interchangeably in the relevant literature, the two concepts are slightly different.

Sustainable supply chain management encompasses socio-economic dimensions and environmental sustainability. Thus, the concept of sustainable supply chain management is broader than the green supply chain management and the latter is part of sustainable supply chain management (Ahmadinejad et al., 2020). On the other hand, organisations consider social awareness and green issues to be important and necessary. Although employees did not ascertain the importance of green issues in the past, today they understand its significance and organisations become aware of the importance of introducing environmental concepts at the workplace with environmental management (Bloom et al., 2013). Research demonstrates that green management has been enforced in many countries especially in developing countries not only by laws but also by administrative arrangement such as administrative orders, technical standards, and so on (Chen et al., 2012).

Many factors are critical to the success of a new product and there is a high probability of product failure if these factors are not clearly defined. Based on this argument, it is necessary to identify and classify the success or failure factors of New Product Development (NPD) projects so that the organisation's planners can decide on the formulation and implementation of judicious programs and policies given the existing conditions and facilities (Bonner, 2010). Implementing green supply chain management as a system for the growth of auto companies will be a comprehensive approach to understanding this phenomenon. It is a phenomenon that incorporates various components including managers, entrepreneurs, the society and attention to the environment (Ahani, 2016).

In such an environment, successful companies and especially auto companies try to use green supply chain management by exploiting the current competitive advantages and discovering innovations that determine future competitive advantage as a key factor in achieving success. Nonetheless, the significance of activities based on the green supply chain management and NPD in the form of strategic entrepreneurship leads to a dramatic impact on the success of the auto industry, developing the advantage of green supply chain management and adequate resources for ongoing and future activities. On the other hand, the use of green supply chain and recognising and emphasising the conditions that facilitate the development of strategic market behaviours affect the companies'

NPD. One of the key features of such markets is that companies benefit from the green supply chain management based on their capabilities and internal resources to improve their performance and innovations and introduce new products quickly. In practice, many managers have a limited definition of green supply chain management based on NPD process. It is possible that auto industry managers will not only fail to identify the fundamental NPD risks, but also fail to understand the opportunities for improvement to manage the green supply chain more efficiently compared to competitors (Mirza Ramazani, 2017).

Therefore, the most important problems encountered by the auto industry are rooted in supply chain issues and the development of their new products. The main reason for this case can be expressed by several main categories such as the lack of professionalism in market research and customer-oriented production, low level of technical knowledge, low level of product innovation, lack of professionalism in business management, poor management in the green supply chain and especially the stable formation of specialised work teams.

Thus, according to the above-mentioned issues, these problems can be addressed in general in the form of green supply chain and NPD process in this industry. However, the green supply chain management allows the auto industry to achieve its goals and plans by optimally applying green performance and minimising the destructive effects and harms to the environment. Moreover, important and debatable subjects in the auto industry including inflexible structure, non-transparent tasks, and crippling bureaucracy embedded in the fabric of these organizations require special measures such as the mechanisms of the green supply chain management as the axis of production strategy. These requirements enable the organisation to achieve strategic and operational goals and thus lead to the development of desirable products which have been prioritised more than ever. This being said, given the importance of recognising and analysing the green supply chain management and proper management in growing and increasing the NPD productivity, no significant efforts have been made by auto industry experts in this field. Hence, the need to design a model for the green supply chain management based on NPD is clearly important.

LITERATURE REVIEW

Green supply chain management combines supply chain management with environmental requirements in all stages of product design, selection and creating the green quality of supply chain, as well as the process of considering environmental criteria or implications throughout the supply chain (Mir Aghaei, 2020). Green supply chain management encompasses all stages of product design, the selection and supply of raw materials, production and manufacturing, distribution and transfer processes, the delivery to the customer and finally the recycling management after consumption to maximise the efficiency of energy consumption and resources and improve the performance of the entire

supply chain (Omidvar et al., 2015). In studying the environmental effects of supply chain activities, the impacts of products on the environment are analysed using a holistic approach (including the analysis of the product life cycle from the beginning to the end of its life). In this approach, the whole gamut of ecological effects (e.g. science of habits, the way of life of organisms, and their interaction with the environment) are measured and considered for each activity in developing and designing new products at different stages of product life such as product concept, design, preparation of raw materials, construction and production, assembly, maintenance, packaging, transportation and product transfer and reuse (Lin et al., 2013).

NPD is a set of activities that begins with understanding market opportunities and ends with the creation, sale, and delivery of a product (Alrich, 2000). An organisation taps into all of its resources, facilities, and capabilities in multipurpose groups in order to create new and innovative products or develop an existing product in a process. In this sense, NPD is a basic process considered as some kind of progress and revival for the organisation (Andalib and Moghtaderi, 2018). On the other hand, the process of production and development of a new product must be tailored positively to the needs of customers and create a suitable competitive environment for the organisation by relying on technological superiority and the appropriate allocation of budget. New product development (NPD) is an important aspect of any business. New products provide growth opportunities and competitive advantage for companies (Amiri et al., 2015). The purpose of new product development is to respond to customer needs, adapt to market conditions and environmental changes, increase the profits, provide customer satisfaction and counter competitors' policies. The growing trends in the development and production of new items and their successful commercial supply to the market will shorten the product life curve and switch the focus from mass production to customized production (Andalib and Moghtaderi, 2018).

Gligor et al. (2013) showed that the management of the green supply chain is critical in achieving corporate profitability (Gligor et al., 2013). However, changes in supply chain and their consequences are unique to each company and firm. Project-oriented firms must adapt to these unique changes. In order to adapt to the environment, these companies have to accept the above considerations in adopting their internal and external strategies and structures (Tanawat et al., 2015). Despite the importance of new product development, the improvement of product development capabilities has not yet been achieved. Recent research has demonstrated that the average failure rate of product development is close to 50% and about 70% of products do not achieve the projected sales. The success of new product development depends on many factors including the market characteristics, product, strategy and process. Thus, due to the abundance of information in today's world, it is no longer necessary to collect as much information as possible; rather, capitalising on the information and turning it into applied intelligence has become important to guide organisational decisions

in developing new products (Tanawat et al., 2015). Although NPD is one of the greatest and most important strengths, it is also among the most challenging and difficult activities of any business as success in NPD projects has become a major challenge for managers (Amiri and Yaseri, 2015). This is true while most of leading companies are well aware that the most important factor that makes them superior in global competition is the ability to launch a new product faster and more efficiently than the other competitors. Offering new products is also one of the safest ways to deal with the complexities of the world that has been demonstrated as the only reliable strategy for sustainability (Alam Tabriz et al., 2017). Nevertheless, researchers have warned in various studies that the NPD failure rate is still a matter of concern (Marco Vinisa, 2016).

In examining the impact of IT capability and supply chain integration on the performance of new product development, Ebrahimpour et al. (2015) showed that IT capability increases the performance of new product development. The moderating role of knowledge absorption capacity in the relationship between IT capability and supply chain integration and the moderating role of knowledge absorption capacity in the relationship between supply chain integration and NPD performance have been confirmed. Kianfar (2016) evaluated "the effect of entrepreneurial supply chain and NPD on the performance of companies: a case study of the beverage industry". The results showed that the three components of growth, customer participation and supplier participation in the entrepreneurial supply chain and the three characteristics of product tastes, health and diversity and innovation in new product development can affect the performance of companies.

Kevin et al. (2013) investigated the effects of supply chain relationship on new product development. The results of their article show that the company's competence in marketing information and its willingness to engage in partner relationships have direct and interactive effects on the ability to develop new products. This feature is further proven to be positively related to organisational performance and the results also show that this relationship is moderated by technology uncertainty. Fracasia et al. (2018) have examined the impact of green product development on a country. The results show that the countries that are more focused on green production have the largest GDP. Developing countries can also improve their economic performance by investing in green sectors. Meanwhile, companies tend to use green product development more for products with a competitive advantage.

In examining the future trends and challenges of green supply chain management, Ming Long et al. (2019) showed that research on the analysis of stimuli and barriers to green supply chain management is declining while using optimisation models to enhance decision-making in environmental performance and productivity has become a growing trend. To fill the gap in the theoretical literature, the grounded theory and approach and the coding method were used in the present study, while analysing, measuring and evaluating the green supply chain management based on NPD in the auto industry. The reason

for the importance of this approach is that for reasons such as lack of available resources in the auto industry, those involved will not be able to manage the green supply chain properly. Regardless, considering the limited extent of research on green supply chain management in a systematic and multidimensional manner, the majority of the available studies describe only some parts of this approach that indicate the different conditions, strategies and management patterns of the green supply chain based on NPD and grounded theory in this study.

METHODOLOGY

The present study is considered developmental research in terms of objective, as it is an effort to understand and discover new issues in the field of management and provides a model for understanding the factors of green supply chain management by theorising based on NPD process in the auto industry. Moreover, this study falls into the category of qualitative research due to the use of qualitative data. The statistical population of the research consists of the auto industry managers. In this article, the method of judgment sampling was used due to the research structure. In this way, those who seemed to have enough field experience were selected among the marketing managers of the companies and their number reached 15. These individuals were selected over time to address any shortcomings and ambiguities after analysing and comparing each interview with the next interviews. The persuasion rule was used to determine the sample size and the sampling continued until the theoretical saturation was reached.

Theoretical saturation (theoretical adequacy) indicates the emergence of theory and a stage in which new data have not emerged in relation to the category under study, the category has found a suitable scope and the relationships between categories have been established and confirmed. Data collection instruments were interviews with the specialists. In this way, using the interview protocol, interviews were conducted with a sample of marketing managers of auto companies and the necessary information for research was extracted from the interviews. The data analysis was based on the grounded theory, coding and categorisation. In the first phase of the research, the topic is known through open interviews with the auto industry managers. Furthermore, observing the behaviour of marketing managers in depth will help the researcher to acquire a deeper knowledge of the topic. Then, following this step, the conceptual model of the research is drawn after coding and categorisation.

FINDINGS

After conducting scientific interviews with scientific and executive experts in the organization, a model of green supply chain management emerged for the auto industry NPD based on the grounded method. Of course, some aspects of this process are briefly mentioned to document the research method, validity and reliability.

AXIAL CODING

Axial coding links categories and subcategories according to their dimensions and characteristics. Strauss and Corbin's analytical tools were used to discover how the categories are related to each other. At this stage, the performed coding has been examined in accurate and general categories based on the six conditions of the grounded theory.

CAUSAL CONDITIONS

Causal conditions include items that directly affect the management of the green supply chain of the auto industry based on the development of a new product. These factors are in some way the creator and developer of the phenomenon. In this study, the three categories of environmental approach, sustainable supply chain evaluation and supply management are the empirical factors that can create causal conditions for green supply chain management based on the NPD process in the auto industry. The categories related to causal conditions are shown in Table 1.

Table 1

Causal categories (Main categories and subcategories)

Codes	Subcategory	Main Category
Reducing pollutants in the production process Increasing green training for employees Eco-friendly design Development of innovative environmental ideas	Green measures	Causal Conditions
Green production approach to the auto industry The use of existing potential in the market and its effect on green production Providing government facilities and support Use of distinguishing features in product design	Creating infrastructure	
Green partnership agreements Active customer participation Active participation of stakeholders Performance standards from the supplier	Management of supplier	

UNDERLYING CONDITIONS

The underlying conditions represent a specific set of features related to the phenomenon that generally refer to the location of relevant events and happenings. In this study, flexibility, integration management, and technical capabilities are the main underlying factors of green supply chain management based on the process of developing new products in the auto industry shown in Table 2.

Table 2

Underlying categories (Main categories and subcategories)

Codes	Subcategory	Main Category
Flexibility in production Short product development time Flexibility in volume	Flexibility	Underlying conditions
Managing changes in the production process Setting goals Road map Standardisation of green processes System Engineering	Integration management	
Using new technology Absorption capacity Technology infrastructure	Technical capabilities	

INTERVENTIONAL CONDITIONS

Interventional conditions include more general terms such as time, space and culture that act as facilitators or inhibitors of strategies. In this study, the three categories of competency, environmental uncertainty and technical structure and market are considered as the categories of interventional conditions based on the management of the green supply chain and NPD in the auto industry shown in Table 3.

Table 3

Interventional categories (Main categories and subcategories)

Codes	Subcategory	Main Category
Competency of human resources Change in required skills and expertise Trust-based relationships Strategic vision The type of technology that matches the need for new product development	Competence	Interventional conditions
Lack of incentives through the government Inability to create a competitive advantage in the green supply chain process Lack of active and voluntary approach in complying with environmental standards	Environmental uncertainty	
Increase in the level of customer maturity Changes in customer patterns Green product supply chain management Lack of transparency and clarity of the supply chain process Engineering analysis of the value of green products Reducing the cost and time of green design	Technical structure and market	

AXIAL PHENOMENON (CATEGORY)

The axial phenomenon refers to the idea or phenomenon that is the basis and axis of the process to which all other major categories are related. In this study, the three categories of senior management commitment, green materials production and green goal-setting are considered as the axial categories of the green supply chain management based on the auto industry NPD which is shown in Table 4.

Table 4

Axial categories (Main categories and subcategories)

Codes	Subcategory	Main category
Senior Support Senior Management of Intellectual Capital Senior management awareness Development of green products infrastructure Improving the skills and abilities of employees Institutionalisation of green processes in production	Management commitment	Axial categories (Phenomena)
Strengthening the green chain system of products Reusability Recycling Waste reduction support Reducing costs	Production of green materials	
Technical and economic analysis of green vehicles Compliance with future legal requirements such as pollution and fuel consumption Adequate technical knowledge and understanding of production standards Promoting the safety of green products Rating the various amenities of products	Green goal-setting	

STRATEGIES

Strategies are in fact plans and actions that are the output of the axial category of the model and result in consequences. This research considers the three categories of green management, green marketing and green transportation as strategies based on the central categories of green supply chain management according to the process of new product development in the auto industry shown in Table 5.

Table 5

Category of strategies (action / reaction, main categories and subcategories)

Codes	Subcategory	Main Category
Creating the right ideas Determining the relationship between new green product development and the target market Use of international experiences Achieving social commitment	Green Management	Strategies

Codes	Subcategory	Main Category
Behavioural characteristics of different market segments towards green products Target market determination strategy Upgrades and after-sales service evaluations	Green marketing	Strategies
Reverse logistics practices Integrated logistics activities Intelligent and distinctive characteristics of the distribution channel Improving the quality of transportation Reducing environmental impact	Green transportation	

IMPACTS

The last part of the Model of Green Supply Chain Management is based on the NPD process in the auto industry. Based on open coding, the concepts related to the impacts of the model are extracted. Then, these concepts are extracted and named according to the reciprocal movement between the themes and the concepts of the main categories. Accordingly, the impacts are divided into three parts related to competitive advantage, green consumption and the development of practical strategies as consequences of green supply chain management based on the process of developing new products in the auto industry. Table 6 presents the categories and concepts related to these impacts.

Table 6

Impacts category (Main categories and subcategories)

Codes	Subcategory	Main category
Developing safe and environmentally friendly products to customers Identifying market opportunities and threats Creating dynamic structures in the green supply chain The importance of the new green product in maintaining the company's share and profitability	Competitive advantage	Impacts
Creating a good attitude in the customer to develop green consumption Customers' desire to buy green products Reuse to maximise productivity and energy consumption	Green consumption	
Upgrading and developing a sustainable green supply chain Considering environmental considerations throughout the supply chain Developing a roadmap for the development of advanced technologies and their application in new products Environmental requirements at all stages of product design	Practical strategies development	

PARADIGMATIC MODEL

Selective coding takes into account the results of previous coding, selects the main category, and systematically links it to other categories and further develops the concept while validating it. However, selective coding begins with the integration and introduction of green supply chain management based on the process of developing new products in the auto industry identified between categories and subcategories in open and axial coding. Thus, the following graph is drawn in order to show the paradigm model better and more clearly.
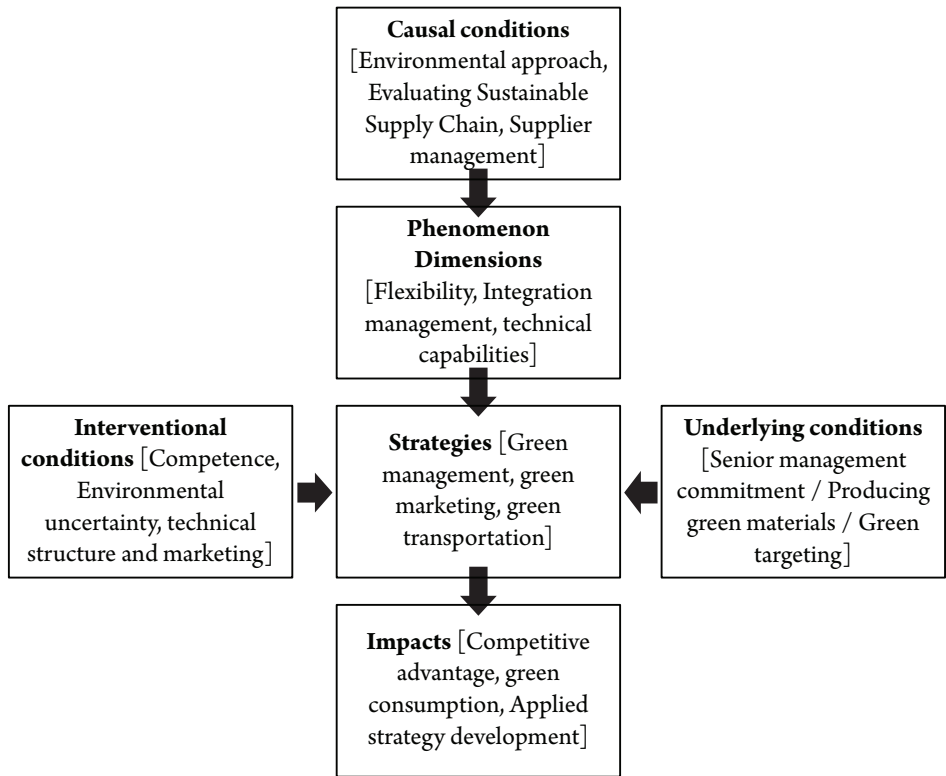

Figure 1. **Research paradigm model**

CREATING A THEORY

In the process of creating a theory, the main stage is the grounded theory and the researcher presents the theory based on the results of open and axial coding. Accordingly, in the paradigmatic model, causal conditions create a model of green supply chain management based on the process of developing new products

in the auto industry. This approach may have some strengths and weaknesses that play an important role in the study and compilation of the interview in transitional situations. In the meantime, the main phenomenon and response strategies are important as they operate in an intervening context and pave the ground for the creation of a new theory. Regardless, creating the model of green supply chain management based on the process of developing new products in the auto industry has been the main concern of this research.

DETERMINING THE VALIDITY OF THE THEORETICAL MODEL

The validity of the theory was examined based on the indicators of proportionality and applicability (Strauss and Corbin, 1990) and the views of the interviewees were examined in this way. On the other hand, the proportionality index was discussed with three interviewees with regard to the research findings and the experimental world, and corrections were proposed in a number of categories. In addition, regarding the applicability index, the continuous comparison of data with the background and theoretical foundations of the research was conducted. This applicability of research was ensured by developing semi-structural questionnaires at each stage of the interviews along with corrections.

CONCLUSION

The present study was an attempt to provide a model of green supply chain management based on the NPD process in the auto industry using grounded theory. Green supply is based on the development of new products in the auto industry, which is presented in the form of the final research model. The results of research in this study show that having a higher level of methods for green supply chain management leads to higher achievements in product development. Moreover, companies activating high levels of these methods will thus achieve a high level of competitive advantage.

As shown in this study, companies must operate a higher level of green supply chain methods in order to achieve better performance. This leads to a competitive advantage in producing new products in a competitive market. The results of the present study are consistent with the conclusions of the studies conducted by Ebrahimpour et al. (2018), Frecasia et al. (2018) and Kevin et al. (2013). In their research, Kevin et al. concluded that the competence of a firm regarding marketing information and their involvement in partner relationships have direct and interactive effects on the ability to develop a new product. However, it is suggested that the auto industry that is rapidly accelerating technological change in the industry, should shift its focus from the establishment of political relations with government officials to focus on

the creation of business networks and relationships because business partners provide reliable information to predict future changes. In this situation, trade relations affect both the acquisition of new resources and the development of new products. While political relations not only do not provide new resources, they can also negatively affect the efficacy of current methods. In this regard, bilateral trade cooperation, participation in trade union meetings, specialised exhibitions, and holding specialised conferences with other trading partners will be effective in developing new products.

The auto industry managers are required to plan and implement supply chain management processes (such as green procurement, green sourcing, green packaging, green distribution and sale, and vehicle route planning) to reduce environmental impacts. In this way, the amount of pollution is maintained within the permitted standards. This involves replacing old technologies with new ones which minimise the creation of pollutants. Therefore, the managers' commitment is crucial in making decisions about green competitive strategy to implement environment-friendly technologies. By choosing appropriate procedures and policies, managers should provide the necessary basis to create a green supply chain for their companies in order to increase the value of their company while reducing the environmental impact.

Senior managers can improve sustainable supply chain in the auto industry by applying sustainable strategies in supply chain management by linking future strategic needs with suppliers and creating collaborative teams for supply chain management consisting of the members of various companies. Managers are encouraged to allocate managerial and financial resources to provide different models on a common platform, as this approach to the domestic and foreign markets encourages and facilitates the development of new and innovative ideas about product innovations, services or processes. It will increase the value offered to the customer and lead to situational competitive advantage for car companies. In order to review the results, future researchers are recommended to identify and prioritize the factors affecting NPD using the fuzzy Delphi technique.

Given that the present research has been performed only within the auto industry, it is suggested that this research be performed in other industries, as well in order to develop the green chain management literature based on the development of new products. As with most studies based on the grounded theory, the findings of the present study are based on the views and experiences of the participants and the environmental conditions of the research; therefore, the results can be generalised in similar conditions and environments. Obtaining the consent and opinions of experts in conducting research has been another limitation of this research. Moreover, the present research was cross-sectional and, therefore, it is difficult to draw conclusions about causality. The large number of questions in the questionnaires led to the prolongation of its execution time, which might have affected the accuracy of the participants' answers.

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EMPIRICAL EVALUATION OF THE IMPACT OF LEADERSHIP TYPE IN A PROCESS OF AGILE TRANSFORMATION

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Abstract

The aim of this article is to investigate the dependency of leadership type, especially the leadership behaviour, to the process of agile transformation. Main hypothesis which is to be proved in this article: Leadership type influences the agile transformation. To ensure the agile transformation, the most important factor leadership type must be agile aligned and serve as the driving power in the agile transformation process.

Keywords: Leadership type, agile transformation, dependency model, coach as a leader, autocratic leader, servant leader

INTRODUCTION

Traditional organisations are not designed for the dynamic development of the changing economy, but the company's ability to change becomes a critical success factor. Agility gives the companies to act and react flexibly in a short period of time. So for this reason the agile transformation of companies is a prerequisite to be able to master the challenges. The agile transformation of companies is a complex change process because, in addition to the level of technology / manufacturing processes, it also includes the structural process and cultural levels.

The existing lifecycle of products is shortening and based on customer requirements also changed. Companies have to act flexible just to stay in the market. This recent development is caused by an increasing cost pressure and increasing need to act faster, smarter and still keep the best quality.

When it comes to realise agile transformation in the company, it is above all company leaders that are crucial. A leader needs a lot of courage and foresight to start the agile transformation early enough. A change that questions the existing classical approach and deals with new business models based on agility and thus to remain successful in the medium and long term.

Leadership is a very important part for the agile transformation in companies and plays the main role in its implementation and cares also for the sustainability. In addition, leadership means not only limiting oneself to the methodological and business topics, but initiating the necessary cultural change with a changed mindset and being open to the challenges that arise by agile implementation.

In this article, the author limits themselves to the empirical presentation, on presenting the results of qualitative and quantitative research. Theoretical research is not the focus of the article.

DEFINITION OF LEADERSHIP TYPE AND AGILE TRANSFORMATION BY QUALITATIVE RESEARCH

Leadership type according to the literature research is in this sense an inward-looking mission of leading companies. Also according to the statements of the specialist interviewers, leadership is in the first step directed inwards and in the second step involves a leadership role between people and companies. There are a total of three criteria by which leadership in the company can be measured:
- Qualities what are necessary to be a leader
- The relationship between leaders and those they lead is important. Here, the embedding of leadership in the company's culture is crucial
- Leadership is understood as a process that does not have to be linked to individual persons with fixed role assignments

In a framework of qualitative research was done semi-structured specialist interviews. So the interviews are in framework of qualitative social research and are concerned with the logic of discovery. This involves the generation of hypotheses and also the object-related theories in the research process. Thus, hypotheses can be postponed at the beginning of the survey. This leads to demands for openness of the procedure.[1]

The selection of research categories, so to the respondents, based on their considerations falls on different actors who play a role in the environment. The main respondents are employees in companies that are working in leading positions in projects or in their departments and previously had experience with agile principles. These are project managers or employees in leading positions in different departments like purchase, sale, finance, manufacturing, operations and R&D.

According to the specialists, leadership also takes place in contexts in which hierarchies are not defined in advance, but leadership has responsibility for the success of the project or for several tasks in the company and is constantly readjusted in the process. The results of the interviews have limited the existing leadership types to main three types that are occurring in companies in connection with agile transformation: Autocratic leader, coach as a leader and servant as a leader.

The authoritarian type of leadership can still be seen in companies. In the authoritarian leadership type, the manager always makes the decisions alone and only informs the employees. Especially in the case of strategic decisions or

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[1]   Rosenthal, G.: *Interpretative Sozialforschung. Eine Einführung.* 5., aktualisierte und ergänzte Auflage. Weinheim, Basel: Beltz Juventa (Grundlagentexte Soziologie), 2015, pp. 13.

global strategic projects, the decision is made in this way. This style is particularly appropriate in crisis or emergency situations, as quick decisions are usually necessary in such situations.

Due to the increasing complexity, companies are dependent on experts in different fields, and it is becoming more and more difficult to bundle the knowledge in one person. Therefore, the leadership type "leader as a coach" is increasingly in demand in companies. This type of leadership is found more at the operational level. The leader makes agreements with the entire team and makes sure that they are adhered by all. However, this also means that the manager confronts the employees with problems if necessary and develops solutions together with them. It is important that the leader always remains predictable and equally accessible to all, as someone who clearly sets the course and makes cooperative agreements with all employees within the given framework.

With regard to the agile way of working, the interviewees come to the following point. The agile way of working continues to be promoted and the "servant leader" type of leadership is becoming more and more prevalent. In order to achieve the best possible creativity of the employees, it makes sense to let the employees' work. This type of leadership is especially required for innovation. However, this type of leadership is more common in start-ups and in theory large companies can imagine having such a type of leadership, but in practice it is not really achievable with the existing rigid organization of the companies.

Based on statements of specialist interviews and literature research the measurable factors for leadership type can be worked out. There are according to specialist interviews following three leadership types:

- Leader as a coach → Leader who supports a team and act like a trainer or a coach is common
- Leader as a servant → Leader who serves his employees or leaders is arise from agile working
- Autocratic leader → Leader who behaves opposite of a coach. The behaviour and the mindset of a leader who decide and control is still common in organisation.
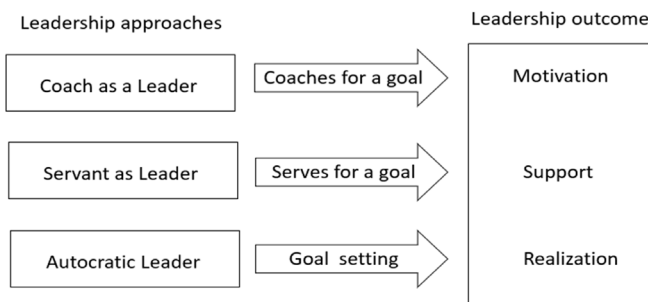- After the specialist interviews the following matrix arise:

Figure 1. **Leadership matrix developed after specialist interview evaluation**
Source: Author's illustration

In Figure 1 above are three leadership types and their motivation / initiation to act. Each of them wants to achieve a goal, but the approach is different and based on their chosen approach also the outcome for fulfilling a goal is different.

The term agile transformation has different definitions, and in every company, the agile transformation can be also realised and implemented differently. So, there is no unique general rule to achieve a successful transformation.

Agile transformation includes some individual company points that are specific to the company. The specialist interviews pointed out challenges on the way to agile transformation. Without the following points agile transformation can't be fulfilled:

1. Especially the top management in companies are focused on realising the strategy, new ideas and their key performance indicators (KPI) and assume that employees know how to work. In this case, many people in the company talk about the agile approach, but do not really understand the principle and methodology behind it. At this point, the methods of the employees are not really known or only to a certain extent.

2. The product-oriented agile way of working requires a new division of teams and responsibilities for existing projects. Not everyone is convinced of team spirit and self-organization and self-responsibility. There are still employees who want to pursue their goals and increase their status or even their power and even not interested on collaboration.

3. Change is not always perceived positively, because it may mean a shift in tasks and power relations. Staff members individually feel that they cannot influence change in such a large organisation. Also, lack of transparency and ignorance about the new approaches and concepts can strongly influence the willingness to change. If the willingness is not there, it is almost impossible to implement anything.

4. There is no time or support from leaders to establish and work out agile values as a long term mission. Leaders are focusing more on operative practical side and the output what are measurable but forget to work on mindset and spread it to the employees.

Based on this results and literature research following factors are arising to measure the agile transformation:
- agile values in the organisation,
- collaboration between employees,
- willingness to change.

DEPENDENCY MODEL BETWEEN LEADERSHIP TYPE AND AGILE TRANSFORMATION

To develop a research dependency model, the first step is to identify one area in enterprises which has influence on the elements on agile transformation. This article focuses on leadership type and more specifically to whether the involved leaders have an influence on agile transformation. For this study research, the example of a huge manufacturing enterprises with over 48000 employees are used.

Consequently, this research aims to answer the question whether there is a relation between involving leaders in the process and progress of agile transformation. In doing so, it addresses various elements that can help enterprises to adjust there the processes and to improve the strategy in the agile transformation and increase their economic performance.

By testing a theory deductive approach is used in this thesis und the aim is to falsify or verify a theory by a hypothesis. It is based on quantitative research and at the beginning by collecting data Saunders[2]. For this reason, a questionnaire was developed. In this case the research design is the basis of any scientific investigation in fields of work. So, for this reason there are basically two research approaches what was used in this thesis: Correlative and experimental studies[3].

Qualitative and quantitative approaches are not regarded here as disparities[4] but rather as complementary in their relationship, because they are each particularly suitable for research into different areas. These two approaches were used in this article. The main aim was to investigate the dependence of the two variables: leadership type and agile transformation. The methodological strategy mediates between causes and effects – causal mechanisms are sought[5].
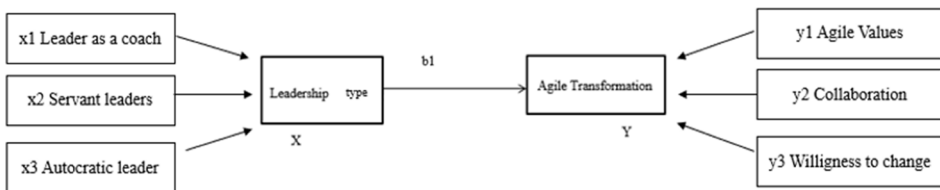
x: leadership type y: agile transformation; this is the main version of the final research dependency model. All variables are defined to make them measurable. At the first step b1 means, that there is a correlation from leadership type to agile transformation.

Figure 2. **Dependency model**

Source: Author's illustration

QUANTITATIVE RESEARCH

Definition of dimensions for measurable criteria for agile transformation was established and a measurable way of the leadership type were selected. In

2   Saunders, M.; Lewis, P.; Thornhill, A.: *Research Methods for Business Students*. Pearson Education Limited, 5th ed., 2009, p. 146.

3   Creswell, J. W.: *Research design: Qualitative, quantitative, and mixed methods approaches*. Los Angeles: Sage, 2009.
     Bryman, A., & Bell, E.: *Business research methods*. 2nd ed. Oxford University Press, 2011.

4   Cropley, D. H., & Cropley, A. J.: Engineering creativity: A systems concept of functional creativity. In J. C. Kaufman & J. Baer (eds.), *Faces of the muse: How people think, work and act creatively in diverse domains* (pp. 169–185). Hillsdale, NJ: Lawrence Erlbaum, 2005, p. 8.

5   Gläser, J. & Laudel, G.: Experteninterviews und qualitative Inhaltsanalyse (4. Aufl.). Wiesbaden: VS Verlag für Sozialwissenschaften, 2010, p. 25.

the selection the leadership type was established and delimited to three leadership types.

The developed questionnaire is structured in a general section with personal questions and questions about the agile experience supported by three main questions. To explore the role of various working persons in a project way, it was necessary to put questions to wide sample of people employed in companies.

The respondents are asked for their individual opinion. They can specify their level of agreement or disagreements on a symmetric agree / disagree Likert scale with five possible responses: highly agree, agree, undecided, disagree and strongly disagree. The items were phrased as statements, not as questions to avoid any negative bias by answering the questions.

Descriptive statistics were used at this point. The sample size in total is 111 completed questionnaires of which most of them are employees and 32 are leaders. Due to a high number of missing values answers, one dataset fall was excluded from analysis because of some missing answers. Two answer dataset showed one missing value on one of the variables from the leadership type variable list. The two former persons were excluded from cluster and factor analysis but could be included in the regression models by estimating the missing values.

The criteria for selection of taking part in the quantitative research are combination of following three criteria:

1) employee have to work in departments, administration areas,
2) in a company with a number if employee over 48.000,
3) experience with classic and agile approach.

RESULTS OF FACTOR ANALYSIS

Factor analysis is a method of multivariate statistics. It is used to infer a few underlying latent variables ("factors") from empirical observations of many different manifest variables. The discovery of these mutually independent variables or characteristics is the point of the data-reducing (also dimension-reducing) method of factor analysis[6].

Exploratory factor analysis by principal axis factoring with oblique rotation, following the recommendations of Costello & Osborne[7] was used to investigate the correlative structure of the "leadership type" variables in order to find out if a combination of variables could be used to identify different leadership types.

Following the eigenvalue criterion, a one factor solution fits the data (see scree plot). The first eigenvalue was 4.61, the eigenvalue of the second was 0.85.

[6]   Costello, A. D., Soboren, J. W.: Best Practices in Exploratory Factor Analysis: Four Recommendations for Getting the Most from You Analysis, Practical Assessment, Research & Evaluation, Volume 10 Number 7, July 2005.
[7]   Costello, A. B., & Osborne, J. W.: Exploratory Factor Analysis: Four recommendations for getting the most from your analysis. Practical Assessment, Research, and Evaluation, 10(7), 1–9, 2005.
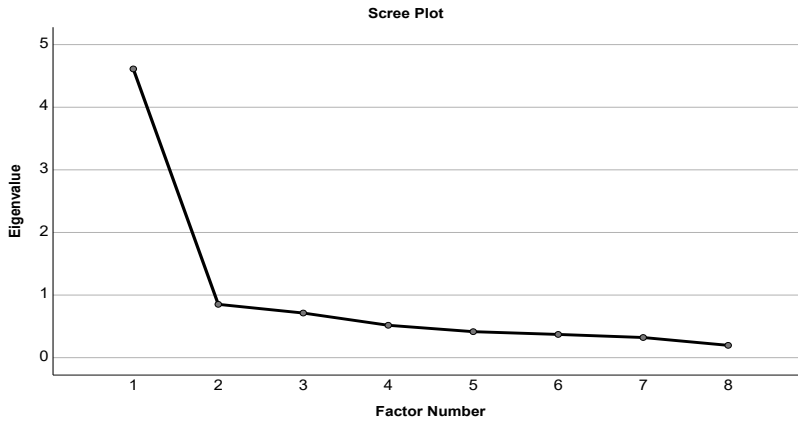
Figure 3. **Scree plot**

The scree plot shows that the first four factors explain most of the total scatter in the data (indicated by the eigenvalues). The eigenvalues of the first four factors are all greater than 1. The remaining factors explain a very small proportion of the scatter and are probably unimportant.

Following the eigenvalue criterion, the eight variables in the table 8 forms the variable: "Leadership type". This factor explained 58 percent of the variance of all items.

Table 1

Factor loadings of variables

Variables: Questions in the questionnaire.	Factor loadings
v5 A manager adapts their leadership style according to the situation. Decisions are made together or left to the teams.	.819
v9 For important fundamental decisions, the manager takes enough time to make a decision together with the teams by consensus.	.806
v10 A manager is open to new ideas and approaches that make a positive contribution to the company's success. Accordingly, it promotes the implementation of the ideas.	.765
v3 A manager in the company acts like a "coach" with his leadership style. The path is determined independently and only limited by the manager's guard rails. A manager adapts the guard rails to the maturity level of the team.	.749
v7 A manager lets the employees e.g., work according to agile methods and the project according to the ideas of the employees	.742
v6 A manager is authentic, lives and acts according to an agile mindset and methods, even in difficult situations.	.741
v4 A manager makes many decisions in a centralized manner, even without the approval of the teams.	-.649
v8 A manager specifies how the project implementation and methodology should be carried out	-.430

All factor loadings are acceptable, only the loading of v8 was rather low with -0.43. The squared factor loading describes the part of the variance of the item that is explained by the factor. This value ranges from 67 % for item v5 to 18 % for item v8. As could be expected, given the wording of the items, v4 and v8 had negative loadings in contrast to all other items with positive loadings. After recoding of v4 and v8, all variables are in the same direction with higher values on the response scale meaning a higher degree of "coach-ness", a smaller value meaning a higher degree of "autocratic-ness". Thus, the latent factor behind these variables can be interpreted as a continuum between these two poles of leadership type.

The eight variables showed a high reliability with Cronbach's alpha = 0.888. Item selectivity was good with an item-total-correlation of at least 0.4 for all variables. Therefore, all eight variables can be included in the calculation of the factor variable, including v8 with the rather low association to the latent factor.

The results from factor analysis were used to calculate a single predictor, measuring the degree of autocratic resp. coach-leadership type. This variable was calculated using the mean value of all valid values on variables v3-v10 for every person. This way, this variable does express the type of leadership type of a person with a larger value meaning the person is more of a coach and a smaller value that the person leans towards an autocratic leadership style. A mean value of 3.47 (SD = 0.88) and the inspection of the histogram of predictor variable reveal, that the answering persons in general tend to the coach style of leadership, but the new variable "type" has enough variance to discriminate between persons with more or less affiliation to the coach style, so the use in regression models makes sense. The result from factor analysis allows to differentiate persons on a scale between "coach-ness" and "autocratic-ness". The third group "servant leader" cannot be identified, using the result from factor analysis.
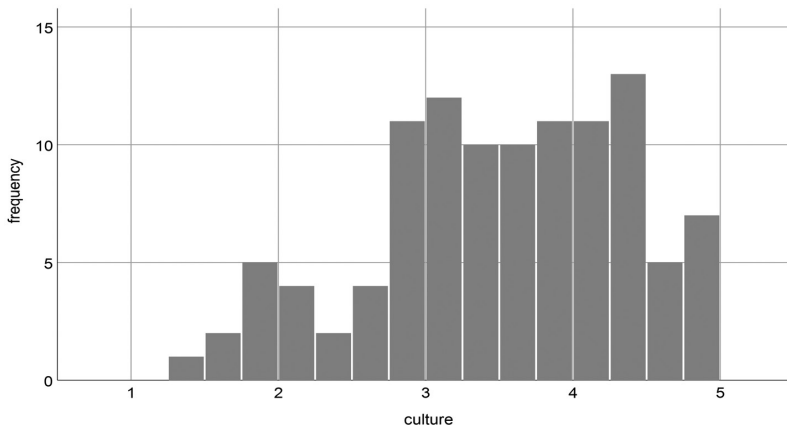
Figure 4. **Histogram of predictor variable "type" by measuring from extreme autocratic (1) to extreme coach (5)**

The histogram measures the leadership behaviours in companies.
Y axis: On the frequency site there are the number of answers, in total 110.

X axis: By type is measured "Leadership type" from 1 to 5. 1 means "extreme autocratic" and 5 means "extreme coach"
Here, the predominant distribution on the scale of 3 to 5 becomes apparent. Based on this result coach as a leader is dominant und significantly more pronounced.

RESULTS OF CLUSTER ANALYSIS

In order to identify groups of answering persons, defined by leadership type, exploratory cluster analysis on variables v3-v10 was performed (Ward method with squared Euclidian distance). The result of the cluster analysis was assessed using the dendrogram.
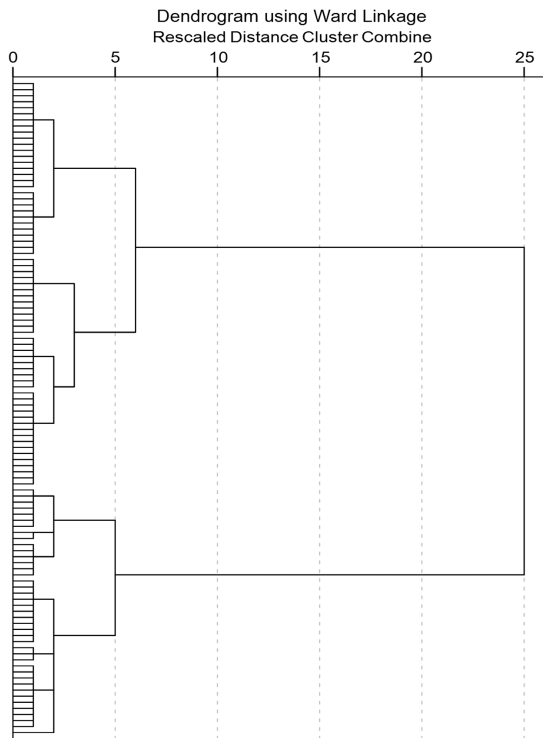
Figure 5. **Cluster analysis: Dendrogram using Ward Linkage. Rescaled Distance cluster combine**

The dendrogram is a tree diagram used to visualise and classify taxonomic relationships frequently used to illustrate the arrangement of the clusters produced by hierarchical clustering. Cases with similar answering patterns on the variables in the analysis are linked early, from left to right in the diagram; groups of cases with small similarities are linked at a late stage. The dendrogram clearly shows that only a two cluster solution fits the data. This, again, contradicts our expectation that there should be tree leadership styles visible in our data.

However, the result of the cluster analysis is very clear: Only two groups can be identified: coach as a leader and autocratic leader. An interesting finding is included in the following Table 2:

Table 2

Crosstabulation of variables about agile experience

Leadership types	I am familiar with the agile philosophy and methodology	I worked selectively in reference to agile elements / methods	I have already worked with the agile methods	I have already implemented agile projects	I give training on agile topics and act as a coach	Total
Coach type	15	18	19	12	2	66
	22.7%	27.3%	28.8%	18.2%	3.0%	100.0%
Autocratic type	12	10	13	4	2	41
	29.3%	24.4%	31.7%	9.8%	4.9%	100.0%
Total	27	28	32	16	4	107
	25,2%	26.2%	29.9%	15.0%	3.7%	100.0%

In the summary of the table with the autocratic leadership the agile approach and agile way of working is also established. So in this case it is possible that there is a period of transformation or the agile way of working is a hybrid model of autocratic leadership style. Interesting finding is that there are two answers with the statement that they already giving agile trainings or working as agile coaches and are still near to autocratic leadership.

Consequently, big companies are in the agile transformation but still have characteristics of autocratic leadership because of decades of functional organisation. For this reason there is possible an "island" solution where in specific areas agile approach and agile culture is existing.

CONCLUSION

After three leadership types were evaluated even two types have emerged. That servant leader is not shown what leads to the conclusion that in big companies a servant leaders is not yet established and this leader type existing only in the theory. A servant leader is still not yet established in big companies where they have a big proportion of functional and hierarchical organisation. Since servant leader is a purely agile type of leadership, there can be done an assumption that the companies are still in the transition phase and are far from reaching their goal to be completely agile.

Based on this result coach as a leader is dominant und significantly more pronounced as autocratic leader. So in summary autocratic leader is still existing

in the company but the tendency in correlation to agile transformation goes definitely to coach as a leader.

The autocratic leadership in the agile approach and agile way of working is also established. So in this case it is possible that there is a period of transformation or the agile way of working is a hybrid model of autocratic leadership style. Interesting finding is that there are two answers with the statement that they already giving agile trainings or working as agile coaches and are still near to autocratic leadership.

In conclusion the trend is going to a leader as a coach who supports employees and let them work without strict regulations. The leader as a coach has influence on the correlation of agility and agile transformation and the direct correlation to agile transformation.

It requires changes in attitude and behaviour from all those directly and indirectly. Barriers to agile transformation are multifaceted, organizational cultural issues and general resistance to change should be considered significant impediments to full transition and achievement of sustainable organizational agility. The required level of flexibility and adaptability is not enough to transform only a business unit. Rather a company-wide agile transformation must ensure that all business units, from the definition of a business strategy to operational implementation work agile. When it comes to becoming a more agile company with a high level of agility, it is above all company leaders that is crucial. Leader needs a lot of courage and foresight to start a change early enough.

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MEDIATING ROLE OF ENTREPRENEURIAL ORIENTATION, ORGANISATIONAL LEARNING AND SMES' PERFORMANCE

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Abstract

The cornerstone of entrepreneurship is Entrepreneurial Orientation (EO) and it is one of the significant predictors of SMEs performance. The concept of EO has been widely discussed through previous studies in entrepreneurship, so it can be considered as one of the main topics in this field, and the most commonly used measure of entrepreneurial behaviour or inclination in strategies and entrepreneurship studies. EO has emerged as an area of research, and EO impact studies have become a sub-field in Entrepreneurship Education research. The objectives of the study were to determine the effect of organisational learning (OL) on SMEs performance and also to examine the effect of innovative performance on EO. The study population refers to the managers of SMEs registered with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in Lagos State, Nigeria. Analysis of variance (ANOVA), correlation efficiency, and regression analysis was employed. The research found that EO affects organisational learning in an SME context. EO has a strong effect on learning and expands learning scope by encouraging companies to challenge the status quo and to make it more flexible and alter the way they work. There is a significant and positive relationship between entrepreneurial orientation and organisational learning within firms because it was revealed that entrepreneurial orientation has different impacts on the individual components of strategic learning. Moreover, the results of the study indicated that EO affects innovative performance. Entrepreneurialism significantly affects innovation and

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performance. Innovativeness, proactiveness and risk-taking have a strong impact on creating innovation, and entrepreneurial activity which enhances innovative behaviour. The study recommends that SMEs in Nigeria should be more proactive in developing strategies, improving operations, and paying attention to entrepreneurial orientation and organisational learning. Entrepreneurial orientation behaviours should be strengthened within SMEs, and should take advantage of the outputs in order to develop organisational learning processes, creative performance, corporate performance, improved decision-making processes, and adaptation to a rapidly changing work environment. Additionally, managers of these enterprises should encourage risk-taking in new initiatives and project planning processes.

Keywords: Nigeria, Entrepreneurial Orientation (EO), Organisational Learning (OL), Entrepreneurship, Innovativeness, SMEs' Performance

JEL Classification: L26, M53, M1

INTRODUCTION

The significant impact of small-medium enterprises (SMEs) on a developing economy is increasingly recognised (Alayo et al., 2019). They have often been acknowledged as productive and efficient job creators, large-scale seed companies and national economic engines (Short et al., 2018; An & Kang, 2016). In the world's economy, professionals, politicians and scholars have been increasingly concerned with the study of entrepreneurship and SMEs (Lonial & Cater, 2015). Entrepreneurship has been recognised widely in developing countries as an influential instrument for poverty reduction and an enhancer of economic growth (Alexe & Alexe, 2018). All countries in general and developing countries in particular, seek to enhance and develop the entrepreneurial business to support the economic improvement and stability (Alshezawi & Khan, 2018). Entrepreneurship is currently the primary cause of development, and is considered the driving force behind financial and social growth in most advanced and developing countries. Studies show that entrepreneurs play key roles particularly in the creation of small and medium enterprises, leading to higher employment (Ugoji, Mordi & Ajonbadi, 2014). Because of its great ability to create new jobs, entrepreneurship is an essential factor for economic growth (Okta et al., 2015; Al-Harthi, 2017). Moreover, entrepreneurs play a very prominent role in employing the rural population, provide self-employment to those who start their own business and enhance the economic environment of the different sectors (Gao, 2017).

Furthermore, entrepreneurial orientation represents the management's orientation towards seeking new vistas for the firm's progression in a competitive environment. As a result, firms with focus towards entrepreneurship show a higher tendency towards realising growth through the process of exploratory

strategic actions rather than the exploitative ones (Siren et al., 2017). EO helps to achieve sustainable performance. Entrepreneurial orientation is a key source of intangible value for organisations to sustain the competitive advantage for organisations through highlighting the new opportunities available in the business environment (Adams, Martin & Boom, 2018; Youssef et al., 2018; Kowo & Adenuga, 2019), exploiting them optimally and making them successful (Basson & Erdiaw, 2019), especially in a highly competitive business environment. Entrepreneurial orientation supports the flexibility of organisations as a strategy to address environmental uncertainty. The ability of an organisation to develop new products, provide distinct product alternatives, and adjust production level as needed can be stimulated through autonomy, risk-taking, innovativeness, competitive aggressiveness and proactiveness (Gal, 2018). Likewise, entrepreneurial orientation affects several organisational outcomes within any organisation, such as firm performance (Albtoush, 2015; Thomas, 2013), organisational learning (Sheng & Cheien, 2016; Abasi, Akbari & Tajeddini, 2015), innovative performance (Yildiz, 2014; Soedarmano et al., 2019) and firm performance (Bengig et al., 2018).

The entrepreneurial environment in Nigeria is still in progress, but actions can be taken to support the growth of national entrepreneurship. Nigeria can promote and stimulate entrepreneurial growth by providing favourable environmental factors. Political stability in the Sultanate is based on global ratings and is the most appealing feature. It also has a policy of free economy that is essential for new companies (Adisa, Adeoye & Okunbanjo, 2016). The government in Nigeria has taken initiatives to promote its SMEs, but gaps still exists (Alayo et al., 2019). In order for SME owners to be able to readily start their own businesses and provide jobs in a market, the government has provided short term loans. Researchers have clarified that SMEs can succeed if they receive long-term loans at low financial cost as this makes it easy for owners to repay their loans (Seifari & Amoozadeh, 2014). SME short-term loans always hamper the success of a company, even an excellent one (Al Bulushi & Bagum, 2017). The SME sector in Nigeria begins the growth curve, and this sector needs a high level of governmental assistance. Nigeria SME contribution to GDP is small but helps the country to reduce the volume of unemployment (Okta et al., 2015). According to Ugoji, Mordi and Ajonbadi (2014) there were about 132,735 SMEs in 2013, most of them in the Lagos area. Kowo, Sabitu and Adegbite (2018) reported that 70% of SMEs are micro-enterprises, 25% of which were small and 5% were medium-sized in 2013. Adeiza, Malek & Ismail (2017) highlighted how the Nigeria government took extraordinary actions to enhance its SMEs and the economy of its entire country in 2015. Nearly 90% of private industry is based on SMEs and it offers many job opportunities for young people, resulting in a significant fall in national unemployment over the last two years (Al Bulushi & Bagum, 2017). The research seeks to answer the following questions (1) Does organisational learning (OL) affect SMEs performance? (2) What is the effect of innovative performance on EO?

LITERATURE REVIEW

The Concept of Entrepreneurship

In 1732, the Irish economist Richard Cantillon used the concept of entrepreneurship in reference to individuals who are ready to carry out types of arbitration concerning the financial risk of a new venture (Valerio, Parton & Rebb, 2014; Gu & Quian, 2019). Entrepreneurship requires more studies to indicate and define its main elements, for despite the efforts of previous studies, there is no satisfactory definition (Short et al., 2018). Zampetakis et al., (2015) mentioned that the concept of entrepreneurship is multi-dimensional. In this vein, there are several definitions of the concept. In addition, studies related to the definition of entrepreneurship and its role in the economy can be categorised in different ways such as chronology, in the school of thought and jobs attributed to entrepreneurs (Yildiz, 2014). Kao, Tsaur and Wu (2016) argued that many factors influence developing a comprehensive concept for entrepreneurship. Some of these factors are related to the culture, the economy or the society. Because social and economic factors are not consistent, according to the surrounding environment, it is fair to say that there is not yet a comprehensive definition of the concept of entrepreneurship, which includes all types and characteristics of entrepreneurship. According to Genc (2017) the reason behind not developing a global definition is that entrepreneurship has been documented in various disciplines, resulting in many opinions about its meaning. Eddleston & Kellermans (2007) clarified that at present entrepreneurship is one of the most interesting and contentious study fields. The distinction in entrepreneurial definitions is due to each industry class having its distinct schools and views. Some definitions can be simple or general, such as 'the beginning of a new project' whilst others refuse to confine it in such a way, since firms could be characterised as entrepreneurial firms even though they are not involved in any new projects (Cherchem, 2017; Adenuga, 2009).

Entrepreneurship can be accurately defined as a type of mindset that views the world as a place to experiment and explore new possibilities in order to realise the true potential of one's quest for self-attainment through innovation and creativity (Alexe & Alexe, 2018). Additionally, Alayo et al (2009) defined an entrepreneur as someone who looks for chances in the business environment and has the indispensable resources to create and develop a project to meet stakeholders' needs or to face and solve difficulties within the community. In the case of Zampetakis et al., (2009), entrepreneurship is described as a human activity taken at a person's own risk for the purpose of profit. Similarly, Solikahan and Mohammad (2019) mentioned that entrepreneurship is the process where the entrepreneur shapes a venture by looking at a market chance, accepts risks by supporting an efficient innovative idea or procedure and gains profits from the project. The word 'entrepreneurship' is "entrepreneurial ability and desire to create, organise and administer a company enterprise along with all its hazards to gain profit (Sismanoglu

& Akcah, 2018). Thomas (2013) defined it as the capacity of an individual to transform ideas and suggestions into action. It includes the capability to create, innovate and take risks in order to achieve objectives, to plan and manage projects. It promotes all people in their lives, both in their homes and in society. It also helps workers to be more conscious of the context of their job and to make better use of opportunities, and offers a basis for entrepreneurs to start up a social or business activity. As for the definitions of entrepreneurship, the concept of an entrepreneur was discussed intensively in various studies from different perspectives that focused on the entrepreneur's characteristics, or the entrepreneurial process and opportunity (Shahzad, Xiu & Shahbaz, 2017; Kohtamaki et al 2019; Almanum and Fazal, 2018; Akinbola, Ogunnaike & Aimaihian, 2015).

Entrepreneurial Orientation

In recent years, academic and business interests have continued to focus on entrepreneurship orientation (Bendig et al., 2018), internationalisation and competitive strategies (Gu & Qian, 2019). Kellermanns et al., (2016) and Yildiz (2014) added that entrepreneurial orientation (EO) as a differentiating firm factor in the entrepreneurship literature has been consolidated. EO has become a key concept in entrepreneurship, which has received considerable theoretical and empirical attention (Short et al., 2018; Kohtamaki et al., 2019). Entrepreneurs have an entrepreneurial orientation (EO) that indicates the procedures, structures, and behaviour of the firm to take advantage of opportunities. Sustainable entrepreneurs are described by previous literature as agents of change with the ability to disrupt an unsustainable system of industries and engage in complex entrepreneurial and sustainability trade-off decisions (Gao, 2017). Thomas (2013) argued that entrepreneurial orientation is reflected in the execution processes of organisations and organisational culture. It is a vital element for achieving higher performance through differentiation, developing better alternatives before competitors, supporting adaptation to environmental changes and market trends, weakening competitors' competitiveness and responding to future actions rapidly (Siren et al., 2017). The cornerstone of entrepreneurship is EO and it is one of the significant predictors of firm performance (Yildiz, 2014).

Kohtamaki et al. (2019) reported that the concept of EO has been widely discussed through previous studies in entrepreneurship, so it can be considered as one of the main topics in this field, and the most commonly used measure of entrepreneurial behaviour or inclination in strategies and entrepreneurship studies. The knowledge of EO has been further extended and has greatly benefited from two important constructs. This construct basically recognises EO as having a basic and unidimensional strategic orientation that is self-evident in the simultaneous existence of three elements, innovativeness and proactiveness behaviours, as well as risk-taking which is considered an attitudinal propensity. In particular, innovativeness and ingenuity ascribes to the notion of enhancement of creative procedures that could in fact lead to the creation of new products, services or

technologies (Gu & Qian, 2019; Short et al., 2018). Proactiveness indicates a desire to pursue self-motivated willingness to enhance current situation and create an environment conducive for growth as well as incubation for germinating of new opportunities, while risk-taking refers to the courage and ability to channelise investments and efforts in uncertain domains in order to capitalize on exponential return possibilities in terms of gains (Lonial & Cater, 2015). The second idea anticipated by Siren et al (2017) is multidimensional, as it does not mandate simultaneous or parallel occurrence of different elements and offers two new co-factors, namely, competitive aggressiveness and autonomy, which together profess a strategy to challenge competitors in order to outsmart rivals in the industry, and to continuously focus on a single minded aim to excel and pursue options and directions that leads to the pursuit of opportunities and growth (Alayo et al., 2019).

In addition, EO is an organisational concept that demonstrates the managerial ability through which companies execute proactive and aggressive initiatives to achieve competitive advantage. Other researchers emphasised an expanded definition of the EO (Youssef et al., 2018; Adams, Martin & Boom, 2018). Similarly, EO becomes an outstanding feature for high performing organisations (Ghazikalaye & Roshani, 2016). Gloss, Pollack & Ward (2017) also stated that entrepreneurial orientation represents the management's orientation toward seeking new opportunities for firm growth. Hence, entrepreneurial orientated firms are more ready to achieve growth via exploratory strategic actions (e.g., developing new product) rather than exploitative activities (e.g., advertising) (Gloss, Pollack & Ward, 2017; Soedarmano et al. 2018; Sheng & Chien, 2016; Adenuga, 2015; Gao, 2017; Thomas, 2013).

SMEs Performance

Understanding the factors that lead some enterprises to be more competitive than their competitors and thus making a bigger profit than their competitors is a matter of interest not only for academics, but also for managers (Abdullah, Musa & Azis, 2017). Alexe and Alexe (2018) and An & Kang (2016) argued that it is important for management to use external sources of information to adapt and respond to more complex and rapid changes in a dynamic business environment and use these sources to continue and survive in the work environment. Adiiza, Seifari and Amooza (2017) pointed out that the need to acquire and manage knowledge is emphasised to increase the overall performance and achieve competitive advantage. Various researchers have been attracted to exploring enterprise broadly, as its action contributes to macroeconomic results, as well as to SMEs performance. Performance change is the essential objective of entrepreneurial firms, as it exhibits the level of accomplishment of their business operations. Different firm performance estimations have been connected in earlier business research. In any case, the lion's share of these examinations did not give any support to the choice of measures utilised (Youssef et al., 2018). While exact estimation is urgent to seeing the SMEs performance, there has been

no agreement among business enterprise researchers on the task of a suitable arrangement of estimations (Gal, 2018; Siren et al., 2017). Albtoush (2015) added a definition for measuring SMEs performance which combined financial and non-financial measures to evaluate it. Adams, Martin and Boom (2018) gave a characterisation plot that clarifies the area of business performance. They claimed that business performance is a subset of the general idea of hierarchical viability, and that thorough business performance covers monetary performance, as well as operational performance. The last incorporates indicators identified with mechanical productivity, such as product quality and advertising adequacy. Previous studies have shown that there is no consensus on how to measure a company's performance (Soedarmono et al., 2019; Alayo et al., 2019).

The Concept of Organisational Learning

Although the concept of organisational learning has grown in academic researches within the last two decades (Short et al., 2018; Gu & Qian, 2019), there is still a need for further research to explore the actual practice and actual activity that leads to learning (Gal, 2018). Basson and Erdiaw (2019) illustrated that organisational learning, the process through which organisations create, spread and exploit knowledge, and convert it into innovation is a major issue in organisational studies. Organisational learning does not occur in isolation, but is strongly influenced by institutional contexts (Akinbola, Sanni & Akinbola, 2018; Alshezawi & Khan, 2018; Valerio, Parton & Robb, 2014). Langerud (2007) confirmed that organisational learning is considered a source of continuous success in a rapidly changing business environment. Tafvelin et al. (2017) revealed that there are no more studies that discussed organisational learning as an organisational phenomenon, and identified its antecedents and performance outcomes, innovation capacity (Ugoji, Mordi & Ajonbadi, 2014) and customer value (Thomas, 2013).

Organisational learning is a major organisational capacity that occurs when organisations develop an in-depth learning culture and have educational, training and guidance systems to promote organisational learning (Sheng & Chien, 2016). Researchers identified organisational learning in several different ways according to different perspectives (Zampetakis et al., 2015). Likewise, organisational learning is the method of building and complementing organisations, and organising knowledge and routine actions around their activities and cultures, in order to enhance organisational efficiency through optimal use of the distinctive skills of their employees (Solikahan & Mohammad, 2019). Coco and Quttainah (2015) identified organisational learning as the processes of creating, spreading, sharing and transferring knowledge within the organisation and integrating it in practices. According to Kao, Tsaur and Wu (2016), organisational learning is also described as an expansion of the organisation's ability to implement effective arrangements by enhancing its performance and outcomes directly and systematically. Further, organisational learning is the knowledge and capabilities

available at any time in any organisation, regardless of the persons involved (Kohtamaki et al., 2016). Organisational learning is a context-based process in which organisations seek to achieve the desired results (Siren et al., 2017).

Several studies have emphasized the importance of organisations' involvement in the changes needed to be able to cope with a changing business environment and achieve sustainable competitive advantage. Learning is crucial in this regard. It provides the organisation the capability to learn from the past, understand what has been learned and integrate it into the organisation's practices in a way that provides the organisation with the ability to adapt rapidly to changing circumstances (Yildiz, 2014). Sismanoglu and Akcali (2016) revealed that managerial literature indicates the vital role which organisational learning plays in supporting the sustainable competitive advantage of the organisation. Furthermore, learning plays an important role in enhancing the ability of organisations to reach speed and flexibility in the process of innovation (Okta et al., 2015; Valerio, Parton and Robb, 2014; Almamum and Fazal, 2018; Adenuga, 2009; Kohtamaki et al., 2019; Gal, 2018). Organisational learning and innovation have recently been revealed to be closely related to entrepreneurial orientation (Cherhem, 2017; Adisa, Adeoye & Okunbanjo, 2016; Genc, 2017). Al-Harthi (2017) showed that many organisational and management practices studies discussed the effect of organisational learning on the performance of an organisation. Many previous studies have indicated that organisational learning can influence and enhance the organisation's performance, such as developing a new creative product and creating a learning culture within the organisation (Alayo et al., 2019; Adams, Martin & Boom, 2018; Kalmuk & Acar, 2015).

Components of Organisational Learning

Gloss, Pollack and Ward (2017) depicted five vital components of effective organisational learning, namely, "personal mastery, mental models, shared vision, team learning, and systems thinking", and the term of organisational learning has become well-known.

Personal Mastery

Motivates members to continually learn (Gao, 2017). As Gloss, Pollack and Ward (2017) mentioned, organisations cannot learn without employees desiring to learn. Learning develops the personal abilities of people to achieve their goals. Basson and Erdiaw (2019); Adeiza, Malek and Ismail (2017); Adenuga (2015); and Youssef et al. (2018) added that there is a need for employee commitment to learning in order to achieve competitive advantage in the labour market. Thomas (2013) reported that personal mastery includes creative personal development, enough effort, detecting opportunities and challenges in a changing business environment, employees' abilities to learn, and developing their skills and uniqueness.

Mental Model

Shahzad, Xiu and Shahbaz (2017) stated that mental model is a way to develop your mind to produce the thoughts in different ways. It is an elucidation of thought process of an individual about how conceptual frame work can be applied in real practice with the help of our understanding. It represents the surrounding environment and its parts and an individual's perception about his or her performance and their magnitudes. Further, Zampetalkis et al., (2015) and Al-Harthi (2017) mentioned that mental models are "deeply ingrained assumptions, generations, or even pictures and images that influence personal and organisational views and behaviours and limit thinking". It is very important for an organisation to understand mental models, putting them into question and changing them according to surrounding reality (Almamum & Fazal, 2018). Gloss, Pollack and Ward (2017) stated that mental models determine how a person thinks and acts. Although employees do not act according to their mental models, their behaviours are deepened on a mental image. Short et al. (2018) revealed that, within the learning organisation, mental models include the discipline of consideration, discussion, dialogue, and study. Employees try to reach acceptance about suitable and realistic mental models through this discipline. Sheng & Chien (2016) explained the importance of mental models in detecting shortcomings in the present ways of looking at the labour market.

Shared vision

The appearance of shared vision came from employees having a strong personal vision sense, who see the team vision that can include the personal visions of all and who care about their work (Thomas, 2013). Eddleston & Kellermans (2007) mentioned that a shared vision form believes that action and reaction with employees' awareness of organisation goals and agreement between employees' visions and developing these visions shape a shared vision. Abbasi et al. (2015) and Gal (2018) added that employees must understand and contribute to the vision of the organisation. Moreover, Kohtamaki et al. (2019) stated that shared vision is an organisational resource whereby employees share a desired future image. Additionally, Shahzad, Xiu and Shahbaz (2017) reported that shared vision builds a sense of commitment to the strategic objectives of organisations and common direction.

Team learning

Team learning is an important component of the learning organisation (Abbasi et al., 2015) due to the fact that teams represent the fundamental learning units in contemporary organisations (Alexe & Alexe, 2018). According to Alayo et al., (2019) "unless teams can learn, the organisation cannot learn". Team learning includes the fact that thinking, communication, and stimulation through the team are more important than thinking individually. It is valuable (Ghazikalaye & Roshani, 2016).

The concept of Innovative performance

Today's business environment is unpredictable and volatile, and companies have to modify and adapt constantly to survive. New ideas, strategies, processes, new markets, products and services contribute to innovation to cope up with volatility (Kowo & Adenuga, 2019). Innovation is an essential tool for developing strategies; it can enable companies to distinguish their products, increase efficiency, permeate new markets and increase market share to demonstrate their competitiveness (Lonial & Cater, 2015; Genc, 2017). Albtoush (2015) asserted that companies have always been required to enhance innovations to ensure they keep a competitive advantage. Within the competitive business environment, organisations have begun to develop innovative performance to achieve greater success and remain in competitive markets (Almamum & Fazal, 2018).

Likewise, innovation is one of the main characteristics of entrepreneurial behaviour that has been strongly connected to small and medium enterprises (Okta et al., 2015; Soedarmono et al., 2019; Siren et al., 2017). Cocco and Quttainah (2015) mentioned that innovation is designing, creating, developing or implementing new products, services, systems, organisational structures, new models or business models to generate new value for customers and financial revenues for the company. According to Abasi et al. (2015), innovation is described as the applying of new ideas or behaviour in the organisation's products, services, systems, policies and programs to adjust to the environment and to enhance efficiency and competitiveness. Moreover, innovation refers to the reduplicating process involved in developing and marketing products and services as a response to new opportunities, and coincides with ambitious commercial success (Sismanoglu & Mohammad al, 2019). Zampetakis et al., (2015) defined innovation as the instrument tool for entrepreneurs and firms that leads to the development of the strong and dynamic SME sector. Knowledge is an essential tool for innovative performance. Kao, Tsaur and Wu (2012) indicated that innovative performance must be clearly defined to increase our understanding of some technical issues relevant to the influences of organisational learning capacity. Innovative performance refers to the development of products, processes, and procedures that increase the relevance, utility and performance of products and services by using new ideas and creativity (Gu & Qian, 2019; Adisa, Adeoye & Okunbanjo, 2016).

THEORETICAL REVIEW

Resource Based Theory (RBT)

Edith Penrose (1959) developed the Resource Based Theory (RBT), which examines the role of resources in the growth or empowerment of company hierarchies. She describes "the physical items which a company purchases, rents

or provides for its own use and the general population are enlisted according to conditions which make them an appropriate part of the company" (Penrose, 1959). Over 50 years, researchers have based their research on Penrose's bits of knowledge, and with the development of the RBT, analysts have concentrated on "vital assets" (Lonial & Carter, 2015). Vital properties are those properties of (1) value that can be used for expanding customer confidence or decreasing costs; (2) are so rare that rivals do not approach the same or basically the same resources to dispute the appreciation; and (3) are difficult to replace and further imitate, so that the organisation can stay ahead of its rivals (Barney, 1991). The focus of the RBT is on improving company efficiency in a way that a company has vital assets (Barney et al., 2001), and the present meta-inquiry confirms the validation of that statement (Lonial & Carter, 2015). At first, the RBT grew in the field of management. Lonial & Carter (2015) have developed the concept of vital administration. They indicated that core management handles the significant anticipated and emerging operations of general supervisors, including the use of resources to enhance business efficiency by owners. "Therefore, essential administration directs managers and corporation manages persons or groups of individuals acting freely or as a function of a company structure, forming or reinventing new associations" (Sharma & Chrisman, 1999; Kellermanns et al., 2016). The RBT examines the suitability of the assets of companies to achieve strong efficiency with their characteristics. RBT's most distinctive achievement is the plan of criteria that must be met to ensure the company's continued advancement of assets (Kellermanns et al., 2016). Jay B. Barney (1991), who declared that a company's assets preserved its upper hand, produced one of the most convincing texts of essential administration in history. He explained that a company is said to be upper-hand when it updates a value scheme which any current or potential competitor executes at the same moment, and when those various companies are unable to copy the benefits of that scheme. Early RBT work identified that the company is a complex asset-based structure (Kellermanns et al., 2016; Lonial & Carter, 2015; Martin & Javalgi, 2016).

In any case, RBT has become the world's main view for key management assessments (Peteraf, 1993), and having an RBT-business interface is a minimal requirement in providing a "research setting" for observational work (e.g. Lonial & Carter, 2015), Because most asset-based studies fail to account for the thinking of the company, RBT fails to a considerable extent to include imagination and entrepreneurial demonstration (Barney et al., 2001). A company's asset perspective suggests that corporate performance is clearer against corporate assets in comparison to industry structure (Martin & Javalgi, 2016). Assets in nature may be singular or meaningless. Capital and access to capital are incorporated in substantial investments. Little companies from a resource-based perspective have had hardly any investigation (Lonial & Carter, 2015), yet small companies are likely to rely heavily on ownership / managers' assets. This applies in particular to women businessmen, as they tend to be in management or retail, and 85% of these organisations have no assets other than those belonging to

their managers (Barney, 1995). The company's resource basis perspective (RBV) has proven to be one of the most commonly used hypotheses in management studies. The central premise of RBV is that the company produces upper hands, thanks to its outstanding asset structure (Lonial & Carter, 2015). In keeping with the end objective of economic superiority, Barney (1991) identified four main characteristics that an asset must have: it must be important, unusual, incomplete and non-replaceable. Most RBV Scientists use this concept to describe and operate advanced developments. Ultimately, companies should be able to support preferences taken from prevailing assets.

The mainstream comes from the assets and capabilities of an organisation that integrate the management capabilities, organisational processes and data, and information (Barney, 1991). In a concentrated environment, companies transmit their physical, human and organisational assets to take a favourable market position (Martin & Javalgi, 2016) If assets and capacity are profitable for customers and are unusual and difficult to copy, they offer a sustainable advantage, which increases company performance (Lonial & Carter, 2015; Martin & Javalgi, 2016). Hence, hierarchical introductions can give a manageable position and create unrivalled results on the part of an organisation. Analysts have noticed the importance and the relative links between EO, MO, and LO and the organisational outcomes (Martin & Javalgi, 2016). In turn, organisations with these organisational capabilities are performing in the market at an unusual level. In the current market companies, the continuing cycle of maintenance and improvement of the businesses is up against exceptional operating conditions. In this environment, companies should effectively utilize important, noteworthy and difficult to duplicate substantial and immaterial resources. According to the resource-based view, Barney et al. (1995) propose that organisations use their physical, human and hierarchical resources to build their reach over lengthy distances, and so perform with unrivalled success (Martin & Javalgi, 2016). Elusive hierarchical resources such as entrepreneurial orientation, organisational learning capability (OLC) and innovation performance (IP), for example, are difficult for competitors to copy, so these favourable, feasible circumstances are prompt (Martin & Javalgi, 2016).

Research Gap

Nigerian SMEs have an important influence on the Nigeria economy. In order for small and medium enterprises to prosper and survive in a dynamic business environment, they must design and implement their philosophy in enterprise activities. The influence of EO on a company's performance is generally considered within the business field, but the findings vary from an immediate positive to no critical correlation between the entrepreneurial orientation and performance (Kohtamaki et al., 2014; Youssef et al., 2018). This study confirms that such variations are due to cultural characteristics related to the Africa environment, given that EO in SMEs requires a property (Thomas, 2013; Ugoji, Mordi & Ajonbadi, 2014). More studies have been called for to determine in what way an EO can be beneficial.

This paper attentively tests the effect of organisational leaning on entrepreneurial orientation. Organisational learning allows a company to mix its present assets and capabilities, transforming them into specific economic advantages (Alayo et al., 2019). Hierarchical learning becomes an essential part of the strategy based on resources and its enhancement as well as the approach being based on knowledge. Both hypothesis systems advice that the upper hand is the capacity and skills of the company and hierarchical learning requires both if it is to improve the efficiency of the organisation and strengthen its advantage. Additionally, Valerio, Parton and Robb (2014) found that a positive and direct relationship existed between entrepreneurial orientation and firm performances. This relationship requires extensive investigation in the Africa. Also, previous studies have indicated the impact of OL on business performance (e.g. Short et al., 2018; Okta et al., 2015; Gal, 2018). Siren et al. (2017) revealed that introduction to learning takes place at the corporate culture stage in particular and different variables can interfere with the relationship between learning introduction and business results.

Moreover, prior studies have revealed certain questionable results regarding the connection between hierarchy and business performance (Shahzad, Xiu and Shahbaz, 2017; Kellermanns et al., 2016; Genc, 2017). However, the significance of organisational leaning as an EO history has been emphasised by prominent researchers such as Adams, Martin and Boom (2018); Coco and Quttainah (2015) and Kellermanns et al. (2016), yet the relationship between OL and EO is rarely investigated (Gu & Qian, 2019). Many researchers, such as Alayo et al (2019) and Adenuga (2015), have called for further consideration of such a relationship. Likewise, many previous studies have indicated the positive impact of organisational leaning on entrepreneurial orientation (e.g. Kohtamaki et al., 2019; Brettel. Chomik & Flatten, 2015;Gal, 2018; Kellermanns et al., 2016). Kao, Tsaur and Wu (2016); Gao (2017); Seifari & Amoozadeh (2014); An & Kang (2016) and Eddleston & Kellermans. (2007) have confirmed that EO correlates positively with firm performance. Furthermore, entrepreneurial orientation positively affects organisational learning (Genc, 2017; Sheng & Chien, 2016) and innovative performance (Lonia & Cater, 2015; Alexe & Alexe, 2018; Youssef et al., 2018). Yet the relationship between Organisational leaning and EO is not ascertained (Zampetakis et al., 2015; Basson & Erdiaw, 2019; Short et al., 2018). Many researchers, such as Yildiz (2014) and Okta et al. (2015) have called for further consideration of such a relationship.

METHOD

This section discusses the methodology of the study and research design. It introduces research philosophies, research approach, data sources, and research design. Additionally, it details the use of the survey method, sampling design, questionnaire development, questionnaire design, and measurement. In addition, the techniques of the data collection employed and the application of the study strategy are covered. The expo factor method was used. Furthermore, the current quantitative phase of the data collection, through which a description of the methods

used in implementing the quantitative phase in this study were also provided. The argumentation begins with the justification behind selecting a sample survey method. The study adopts a self-administered survey for data collection, as detailed. Moreover, the research focused on the survey design, the pilot study applied to test different issues in the study strategy and the study's latent variables (Gill & Johnson, 2010). In addition, the questionnaire was the research instrument for this study's description, and their related indicators are provided. The research's data preparation technique employed to verify the data accuracy was discussed, followed by the data preparation, which includes dealing with missing values and outlier issues.

The issue of the methodology of choosing the methods of data collection to be used for the study depends on the fact that what are the aims and objectives of the research under consideration (Easterby-Smith et al., 2011; Cresswell, 2009). Primary data was used for this study. Furthermore, the collected data was employed to propose a possible understanding of the study's variables' relationships. Therefore, the current study sample units have been chosen as SME managers. A survey is used to collect data for theoretical model validity purposes. The study population refers to the managers of SMEs registered with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in Lagos State. The sample frame was obtained from the (SMEDAN), the surveyed SMEs were randomly selected from the sample frame. The sample size was determined using the Yamane formula (Gefen et al., 2000; Cresswell, 2009).

Therefore, the sample size was determined by $n = \dfrac{N}{1 + N(e)^2}$, where $n =$ the sample size; $N =$ population; $e =$ the limit of tolerance.

Therefore, $n = \dfrac{152}{1 + 152(0.05)^2} = \dfrac{152}{1 + 152(0.0025)} = \dfrac{152}{1 + 0.38} = \dfrac{152}{1.38} =$ $= 110.14 = 110$ respondents (approximately).

A sample of one hundred and ten (110) employees out of the one hundred and fifty-two (152) employee population were selected; the simple random sampling technique was adopted. Towards this end, the test re-test reliability approach was adopted for the convenience of the researcher (Gill & Johnson, 2010; Gefen et al., 2000). Cronbach Alpha coefficient and SPSS were adopted.

DATA ANALYSIS

Table 1

Distribution of respondents and response rate

Respondents Customers	Questionnaire administered (sampled)	Percentage of total response (%)
Top Level Managers	53	53.0
Middle Level Managers	20	20.0
Lower Level Managers	27	27.0
Total	**100**	**100.0**

Gender/Category	Questionnaire administered (sampled)	Percentage of total response (%)
Male	46	46.0
Female	54	54.0
No of Returned	100	83.3
No of Not Returned	20	16.7
Total no of Questionnaires	**120**	**100**

Source: Field Survey 2020

Table 2

Descriptive Statistics of Entrepreneurial Orientation, Organisational Learning and SMEs' Performance

Responses	Total (N)	Mean
Organisational Learning and SMEs Performance.		
Organisational learning is the knowledge and capabilities available at any time in any organisation, regardless of the persons involved and also Organisational learning is a context-based process in which organisations seek to achieve the desired results	100	4.81
People are encouraged to interact with the environment: competitors, customers, technological institutes, universities, suppliers, etc.	100	3.98
People here receive support and encouragement when presenting new ideas.	100	3.69
Organisational learning is a major organisational capacity that occurs when organisations develop an in-depth learning culture and has educational, training and guidance systems to promote organisational learning.	100	3.79
Organisational learning does not occur in isolation but is strongly influenced by institutional contexts	100	3.77
Innovative Performance and Entrepreneurial Orientation	**Total**	**Mean**
New ideas, strategies, processes, new markets, products and services contribute to innovation to cope up with volatility	100	3.89
The glue that holds the company I work in together is an emphasis on tasks and goal accomplishment. A production and achievement orientation is commonly shared which has effect on EO.	100	3.89
Innovation is designing, creating, developing or implementing new products, services, systems, organisational structures, new models or business models to generate new value for customers and financial revenues for the company.	100	3.88
There is a positive relationship between innovative performance and EO	100	3.87
The glue that holds the company I work in together is commitment to innovation and development. There is an emphasis on being first with products and services.	100	3.72
Innovative performance is the construction of a composite based on different performance indicators, such as new patents, new products, new projects, new practices, and new organisational procedures	100	3.79

Source: Field Survey 2020

HYPOTHESIS ONE

Ho: There is no significant relationship between Organisational learning (OL) and SMEs Performance.

Hi: There is significant relationship between Organisational learning (OL) and SMEs Performance.

Table 3

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.349a	.122	.116	1.703	1.997

[a.] Predictors: (Constant), Organisational learning (OL)
[b.] Dependent Variable: SMEs Performance.

Source: Field Survey 2020

Table 4

ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	63.476	1	63.476	21.897	.000b
	Residual	458.024	158	2.899		
	Total	521.500	159			

[a.] Dependent Variable: SMEs Performance.
[b.] Predictors: (Constant), Organisational learning (OL)

Source: Field Survey 2020

Interpretation of Results

The result from the model summary table revealed that the extent to which the variance in SMEs Performance can be explained by Organisational learning (OL) is 12.2% i.e. (R square = 0.122). The ANOVA table shows the F_{cal} 21.897 at a significance level. The table shows that both variables are significant at a significance level of 0.01.

Table 5

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.617	1.504		7.061	.000
	Organisational learning (OL)	.396	.085	.349	4.679	.000

[a.] Dependent Variable: SMEs Performance.

Source: Field Survey 2020

The coefficient table above shows that the simple model that expresses the relationship between SMEs Performance and Organisational learning (OL). The model is shown mathematically as follows: $y = a + bx$, where y is SMEs Performance and x is Organisational learning (OL), a is a constant factor and b is the value of coefficient. From this table therefore, SMEs Performance = 10.617 + 0.396 Organisational learning (OL). It shows that both tested variables are at a significance level of 0.01, which means that there exists a significance relationship between Organisational learning (OL) and SMEs Performance.. Therefore, for every 100% increase in SMEs Performance, Organisational learning (OL) offer contributed 39.6%. The significance level below 0.01 implies that a statistical confidence of above 99%. This implies that there is a positive significant relationship between Organisational learning (OL) and SMEs Performance. Thus, the decision would be to reject the null hypothesis (Ho), and accept the alternative hypothesis (H1).

HYPOTHESIS TWO

Ho: There is no significant relationship between Innovative Performance and Entrepreneurial Orientation.

Hi: There is significant relationship between Innovative Performance and Entrepreneurial Orientation.

Table 6

Correlations

		Free sample	Customer choice
Innovative Performance	Pearson Correlation	1	.355**
	Sig. (2-tailed)		.000
	N	100	100
Entrepreneurial Orientation (EO)	Pearson Correlation	.355**	1
	Sig. (2-tailed)	.000	
	N	100	100

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

Source: Field Survey 2020

Result: Pearson Correlation Value of the hypothesis is 0.355 having the r value of 0.001 (in which P – value is lesser than 0.01) it shows that the correlation result is considered to be significant. This shows a correlation between the dependent and independent variables with the value of 0.355 at a significance level. Hence, it is concluded that there is a significant relationship between Innovative Performance and Entrepreneurial Orientation (EO). Therefore, the decision would be to reject the null hypothesis (Ho), and accept the alternative hypothesis (H1).

The Mediating Role of Organisational Learning and SMEs Performance in the Context of the Relationship between EO and firm performance

In order to answer the first question, the impact of EO on firm performance through the mediating role of organisational learning was investigated. The results of the study showed that EO affects organisational learning in an SME context. This result is in line with several studies. For example, Gal (2018) and Youssef et al. (2018) stated that entrepreneurial orientation has a strong effect on learning and expands learning scope by encouraging companies to challenge the status quo and to make it more flexible and alter the way they work. Moreover, there is a significant and positive relationship between entrepreneurial orientation and organisational learning within firms (Thomas, 2013; Lonial & Cater, 2015; Soedarmono et al., 2019). Zampetakis et al. (2015) stated that entrepreneurial orientation positively enhances managing the organisational learning process and capacity. Also, Siren et al. (2017) mentioned that entrepreneurial orientation still requires organisational learning systems and activities to enable higher learning and innovation. In the same way, Kellerman et al. (2016) and Okta et al. (2015) stated that EO is one of the key factors that support learning, innovation and firm performance. Alayo et al (2019) confirmed the positive effect of entrepreneurial orientation on organisational learning capability and firm performance. Sirén et al. (2017) reported that entrepreneurship orientation has different impacts on the individual components of strategic learning.

The Mediating Role of Innovation Performance in the Relationship between EO and Firm Performance

In order to answer the second question, the impact of EO on firm performance through the mediating role of innovation performance was investigated. The results of the study indicated that EO affects innovation performance. This result is consistent with many previous studies. Previous studies by Adams, Martin & Boom (2018); An and Kang (2016); AlBulushi and Bagum (2017); Short et al. (2018); Kohtamaki et al. (2019); and Youssef (2014) have confirmed the significant and positive relationship between entrepreneurial orientation and innovative performance. Further, Adisa, Adeoye and Okunbanjo (2016); Sheng and Chen (2016); Valerio, Parton and Robb (2014); Genc (2017); Gal (2018); Ugoji, Mordi and Ajonbadi (2014); Cherchem (2017); and Gloss, Pollack and Ward (2017) studies have concluded that entrepreneurialism significantly affects innovation and performance. According to Eddleston and Kellermans study, innovativeness, proactiveness and risk-taking have a strong impact on creating innovation, and entrepreneurial activity greatly enhances innovative behaviour.

MANAGERIAL IMPLICATIONS

The results of the current study delineate important implications for both organisations and employees. The study also concluded that organisational

learning and innovation performance affect firm performance. Finally, the study confirmed that both organisational learning and innovation performance play partial mediating roles in the relationship between EO and firm performance. In the light of findings of the current study, small and medium enterprises in Nigeria should be more proactive in developing strategies, improving operations, and paying attention to entrepreneurial orientation and organisational learning. Entrepreneurial orientation behaviours should be strengthened within SMEs, and should take advantage of the outputs in order to develop organisational learning processes, creative performance, corporate performance, improved decision-making processes, and adaptation to a rapidly changing work environment. For this reason, the small and medium enterprises' managers and workers should enhance their practices of entrepreneurial orientation by providing new production lines, advanced technologies and new markets that support and encourage employees' involvement in developing creative ideas and design, and compete aggressively in the market by taking calculated risks.

Therefore, in order to generate more creative ideas from employees belonging to these enterprises, managers should empower employees by giving them the freedom to determine their own ways of doing work by discussing problems of work freely and openly, and also favourably acknowledging their opinions and suggestions in solving work-related problems. Additionally, managers of these enterprises should encourage risk-taking in new initiatives and project planning processes. Besides, an innate ability to take measurable risks in a typical small and medium. Hence, managers should not fear failure, as calculated risk-raking contributes to an organisation's growth. Aversion towards risk taking can lead to a slow and gradual downslide in a firm's performance, culminating in a total debacle. In addition, SME managers should provide an effective work environment focused on leveraging information technology, through which the organisation is able to achieve competitive advantages in the long run, because the focus on this technology provides information that enables the organisation to develop appropriate decisions and strategies to support the overall organisational performance. Furthermore, managers should be interested in continually searching for learning opportunities in order to gain experience and knowledge that will enable them to improve performance and achieve competitive advantage.

THEORETICAL IMPLICATIONS

The current study has many theoretical implications that can add to the body of knowledge in several ways. Firstly, in a small and medium enterprises context, EO has becomes an important factor that enhances performance. Identifying the mediating factors affecting the relationship between EO and firm performance provides a clear picture of a strategy to help improve a firm's performance through EO. Secondly, this study explores the mediating role organisational learning and innovation performance play in the relationship

between EO and firm performance which has not been investigated in the small and medium enterprises sector before. Thirdly, previous studies have discussed the direct effect of EO on firm performance in countries other than the developed ones. This study explores the effectiveness of EO on a firm's performance through the mediating role played by organisational learning and innovation performance in different developing cultural contexts (such as Nigeria).

CONCLUSION

This research shows that Entrepreneurial orientation is an important tool in creating and developing innovative performance. EO capabilities are essential for company innovation because EO is linked with a methodology of experimenting with new activities, a desire to take advantage of new products, new markets, and new options and a company's propensity for risky enterprises. It was concluded that entrepreneurial orientation correlates positively with radical and incremental innovation. This result is further confirmed that entrepreneurial orientation plays an important role in enhancing marketing innovative performance in SMEs. Moreover, the findings of the study depicted that innovative performance positively affects firm performance in the context of SMEs. It was also asserted that effective management of organisational innovation enhances creativity and ultimately benefits the entire management. A firm's performance is significantly and positively affected by innovation because it was demonstrated that innovation adoption is a vital factor for organisational change in order to improve performance, particularly in the light of a lack of resources, a changing business environment, high competitiveness as well as changes in customer needs in terms of better quality. More so the study revealed that innovation capability has a strong effect on firm performance. Organisations can improve their financial performance through an organisational innovation strategy. The result of the study showed that innovation performance plays a partial mediating role in the relationship between EO and firm performance. This paper concludes that organisations encourage employees to demonstrate innovative behaviour in the workplace. The work environment transforms the basis of competitive advantage from quality to innovation. Innovation helps organisations to adjust rapidly to changes and helps create new products and markets, thereby protecting them from an unstable work environment. It was also concluded that a high level of performance is affected positively by a high level of innovation. Moreover, the study indicated that proactiveness, innovativeness and resource leveraging dimensions of entrepreneurial marketing are correlated positively with innovative performance.

LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

The collected data in this study is cross-sectional in nature, and therefore it is recommended that future research make use of longitudinal data in order to better assess the relationship between EO and firm performance and how

different forms of culture affect the dimensions of EO over time. A further possible area of research is to assess the influence of the external business environment (such as dynamism and hostility) on these various aspects of organisational learning and how firms can adapt in response to these environmental changes. Another limitation of the present study is the mixture of firms of different sizes. Contrary to small companies, larger organisations are very likely to be structured into divisions that require more fine-grained interpretation. In addition, although the study is limited to and constrained by employees' demographics, the research could argue that such factors may play a moderate role in the relationship between entrepreneurship orientation and firm performance. These study therefore further calls for a thorough as well as an intuitive investigation into such effects.

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EASE OF DOING BUSINESS REFORMS AND BUSINESS GROWTH AMONG SELECTED MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) IN PRESENT DAY NIGERIA: A HIERARCHICAL MULTIPLE REGRESSION MODELLING APPROACH

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Abstract

This article examines how operators of Micro, Small and Medium Enterprises (MSMEs) in the Lagos, Nigeria perceives the impact of the ease of doing business reforms, as crafted by the Presidential Enabling Business Environment Council (PEBEC) on their businesses. This article utilises the survey approach and the hierarchical linear modelling technique for analysis. Measures of ease of doing business topics used in this study include starting a business, getting credit, getting electricity and registering property. Others are, tax payment, entry and exit of people and construction permits. These components of ease of doing business reforms were analysed from the perception of the MSME operators, with a view to determining the factors to be considered by government for improving the business regulatory environment. Results revealed that whilst operators are confident that the reforms have impacted revenue growth and cost reduction, particularly through getting credit, getting electricity and registering property, the same could not be said for employment generation. From these findings the authors suggest that whilst government may yet find plenty of room to operate in to improve the modalities for starting businesses, tax payment, movement of business persons into and out of the country, and processing of construction permits, MSME operators, just as much as government, still have

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their bit to do by ensuring that as businesses are empowered, they become more socio-economically responsible

Keywords: Nigeria, ease of doing business, revenue growth, cost reduction, employment generation, MSMEs

INTRODUCTION

Business benefits a lot when the enabling regulatory environment functions in such a way that economic freedom, transparency, efficiency and accessibility are enshrined in the rules that dictate how businesses come to life and live (Djankov, 2016). On a global perspective the ease of doing business (EDB) targets regulations that brings about more freedom and efficiency for the Medium, Small and Micro Enterprises (MSMEs) and how they are able to survive. The institution of a global performance indicator by the World Bank, in the mid-2000s to rank countries on the basis of certain standardised parameters that measure the ease of doing business, has become a major influence on government policies that affect MSMEs in many countries of the world (World Bank, 2020). In Nigeria, the Presidential Enabling Business Environment Council (PEBEC) had, on April 24, 2017, announced that it had completed a set thirty-one reforms spanning the eight priority areas of focus (Proshare, 2017). The thrust of the reforms was to dismantle the bureaucratic slowdowns in the regulatory environment of business and to move Nigeria twenty places upward in the global ease of doing business rankings.

The challenges faced by MSME operators in Nigeria is further amplified within the context of the need to reduce, if not eliminate, unnecessary encumbrances and factors that seek to emasculate businesses. Outside Africa, studies have sufficiently underlined the causal link between growth and economic freedom of MSMEs, in terms of power to negotiate prices, wages and property rights, which is now reflected in the need for MSMEs to accelerate profits, increase market share and generally perform well (Heckelman, 2000; Lisi & Malo, 2017). The business operator's experience in the top ranked economies and the bottom ranked one is so gaping and diverse that businesses would need to spend six times the time needed to register a business in the top ranked economies, in those economies at the bottom. This was confirmed in earlier studies carried out by Djankov, Simeon, La Porta, López-de-Silanes and Shleifer (2002) and Klapper, Laeven and Rajan (2006), where they pointed out that entrepreneurs found registration and start-up costs as significant factors that made doing business more difficult.

In the present day, the ability of businesses to survive has become very dependent on the ease of doing business. This is so because business has become encumbered by a highly heterogeneous environment, a shortened life cycle for products and vertical integration (Lisi and Malo, 2017). The required capability in this sense may depend on the improved and friendly regulatory conditions. Businesses, generally find that the turbulent nature of their environment

necessitates that they harness, reconstruct and reconfigure resources continually in order to survive. Meanwhile, this capability in itself becomes herculean when failure of MSMEs remain dominant in the literature. Owing to these, it is the authors' interest here to find out whether or not the efforts of government at accelerating the ease of doing business is being felt by MSME operators and whether they perceive these efforts as a vehicle for business growth in Nigeria. Extending this further, this study is concerned about how MSMEs in Nigeria can achieve employment generation, revenue growth and business costs, given the current policies aimed at easing regulatory bottlenecks. In sum, the study intends to answer the question of whether or not the EDB policies of government is perceived as having the potential to positively influence MSME evolution in Nigeria. The study focuses on seven EDB performance indicators; starting a business (SB), getting credit (CR), getting electricity (EL) and registering property (RP). Others are, tax payment (TP), entry and exit of people (EEP) and construction permits (CP).

The relevance of this article resides in unveiling some of the many untapped opportunities for national economic development, inherent in the MSME environment, for government and business operators to harness. This supports government initiatives and actions world over, to continue to focus on MSMEs because of its central role in economic growth and development. In Nigeria, the PEBEC reforms are intended as a form of interventionism aimed at addressing the emergencies in the MSME sector of the economy. One may suggest that the quantum of empirical studies, in countries with similar resource profiles as Nigeria, are pointers to the positive results that friendly regulation of MSME systems can deliver for the purpose of achieving economic prosperity (Ates and Bititci, 2007). However, there remains the undying worry that the results attained by MSMEs in advanced economies have been difficult to replicate in Nigeria and many African countries, and policy statements by government have yielded very little (Tafamel, 2019). In sum, the overriding impetus for engaging in a study of this nature is the perception that the ambience of business in Nigeria is still very unsavoury and excruciating for small business operators.

LITERATURE REVIEW AND HYPOTHESES

Ease of doing business

Singh (2015) referred to this concept as a legal and economic dispensation that allows for "simpler regulations for businesses and stronger protection of property rights". To put it succinctly, 'ease of doing business refers to the seamless procedure for getting involved in business and conducting business activities within a jurisdiction. It is also the extent to which business creation and operation is simplified in an economy such that the easier it is to do business, the more conducive the regulatory ambience of business is perceived to be. In 2003, the World Bank group deployed a global ranking index, which identified

the major encumbrances and challenges to smooth business creation and growth in 189 economies around the world. The World Bank Ease of doing business rankings is widely accepted as the standard for rating how pro-business the regulations in various countries are (Singh, 2015). Although the ranking index used is computed as the simple mean of the percentile ranking based on ten topic areas, there are actually twelve topic areas overall, as shown in table 1 below. In the 2019 rankings, 190 economies where studied and Nigeria was adjudged 131st, and this was despite the ease of doing business reforms put in place by the Nigerian government.

The essence of the Ease of doing business index and the conversations around it is to remove as much impediments as possible from the path of business operators and potential entrepreneurs. The obstacles in the path of business has a well-documented chronology. In the area of minimum capital base for instance, the upper house of the British parliament was among the first to put in place this requirement in 1855 when they suggested that businesses should have a minimum capital of £20,000 (World Bank, 2020). In Germany, by 1870, they had promulgated the Corporation Act that had created conditions for the emergence of joint stock companies, and this started a quick evolution such that by 1892 a law on limited liabilities firms was passed, which required the firms to have a minimum paid-in capital of DM20,000 (Hoffmann, Grumbach, and Hesse 1965). As it turned out the minimum paid-in capital failed to achieve the security and solvency which it was supposed to equip businesses with (Dreher and Gassebner, 2013). Rather than being a plus to the economy, this requirement only served as a major reason why small businesses were not increasing in numbers or enduring beyond their gestation period (Djankov et al., 2002). The space for small businesses will naturally continue to be there as all businesses cannot be large corporates or corporations. The evidence which followed capital requirement regulations is such that it has stifled businesses and threatened to create monopolistic and oligopolistic markets which threaten true wealth creation and economic empowerment for majority of the people. In the view of Fairlie and Robb (2009), it further emasculates some sections of society, particularly women, who most times struggle to raise such huge capital.

The inevitability of providing credit opportunities also led to the establishment of credit bureaus and registries all around the world. These credit bureaus and registries help to ensure that there is reliable information on potential borrowers and they can be analysed and profiled, so as to be able to predict how credit worthy they are (Ibrahim and Alagidede, 2017). Of course this led to the development of credit profile database which businesses all over the world can benefit from and the first formal arrangement for compiling and sharing credit information was seen in the decade beginning from 1840 in the US (Lauer, 2017). What was then an innovation, has since served the business world so well that it has become a universal main stay. Bringing this to Africa, and particularly sub-Saharan Africa, credit bureaus and registries have become quite popular and well patronised. However, it should be noted that it was not until 2008 that credit bureaus gained

traction in Africa because financial markets were still too primitive to structure out a lending segment that could do without collateralisation of credit lines and facilities (Tchamyou and Asongu 2017).

The market looks a lot different today, and as World Bank (2020) puts it "…92% of economies in Sub-Saharan Africa have an operational credit bureau or registry. Seventeen of the 62 new credit bureaus and 15 of the 39 new credit registries launched since the first *Doing Business* study (published in 2003) were established in Sub-Saharan Africa". Nigeria was not left out of this development, as the country saw the formation and licensing of four credit bureaus in 2008. However, while it is true that the credit bureaus started springing up across the continent and Nigeria, in particular, a worrying trend was easily found in the rate of subscription per population. For instance, in 2010, the largest credit bureau company in Nigeria had a customer subscription of just 4.1% of the target market, and this contributed to the difficulties encountered by business people in getting credit. By 2011, there had been some development in the Nigeria credit bureau market when the largest of the firms – CRC Credit Bureau Limited and managed to come about a collaborative arrangement which saw it get supplies of market data from some firms, and by 2018, the firm had grown its market share to 14% of the target market (World Bank, 2018).

Table 1

Ease of doing business topics

S/N	Indicator	How it is measured
1.	Starting a business	"Procedures, time and cost incurred in starting a business".
2.	Processing construction permits	"Procedures, time, and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system"
3.	Electricity	"Procedures, time, and cost to get connected to the electrical grid; the reliability of the electricity supply; and the transparency of tariffs"
4.	Registering property	"Procedures, time, and cost to transfer a property and the quality of the land administration system for men and women"
5.	Getting credit	"Movable collateral laws and credit information systems"
6.	Protecting minority investors	"Minority shareholders' rights in related-party transactions and in corporate governance"
7.	Paying taxes	"Payments, time, and total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes"
8.	Trading among borders	"Time and cost to export the product of comparative advantage and to import auto parts"
9.	Enforcing contracts	"Time and cost to resolve a commercial dispute and the quality of judicial processes for men and women"

10.	Resolving insolvency	"Time, cost, outcome, and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency"
11.	Employing workers	"Flexibility in employment regulation"
12.	Contracting with the government	"Procedures and time to participate in and win a works contract through public procurement and the public procurement regulatory framework"

Source: World Bank (2020)

2017 reforms on ease of doing business in Nigeria

Several efforts and programmes had been made in the past by government to lighten the burden of small business owners as part of ease of doing business initiatives which had produced very little. These efforts were reinforced in 2016 and is currently under the purview of the Presidential Enabling Business Environment Council (PEBEC), which is chaired by Vice President, Professor 'yemi Osibajo. PEBEC had embarked on the implementation of a sixty-day action plan, between February 21 and April 21, 2017, and thereafter unveiled a report that thirty-one reforms had been implemented across the eight priority areas for Ease of Doing business in Nigeria. The eight areas selected include all the seven predictor variables of this study (and trading across borders which is not included in this study). Proshare (2017) identified the areas of reforms implemented as follows:

1. Reforms on starting a business

In order to reduce the time involved in registering a business, an online portal for company name search was deployed and legal practitioners were no longer required as a do-it-yourself (DIY) approach was encouraged by virtue of removing complex documentation which used to require experts in law or persons vast in the process to do. There was now to be only one incorporation form and the documents were also to be submitted electronically as against the protracted method of filing paper documents, which took days unend to process. The incorporation forms once submitted, were to be certified by staff lawyers of the Corporate Affairs Commission (CAC) after carrying out the mandatory compliance checks for a fixed fee of five hundred naira. To round up this aspect of the reforms, a 24 hours turn-around time was set for the processing of applications with complete documents. This reform also removed the requirement of physical inspection of proposed business locations.

2. Getting credit

The reform also targeted the area of entrepreneurs' access to credit through the digitalisation of the National Collateral Registry. This was to enable the parties to a credit facility or application confirm the authenticity of claims to ownership of movable assets. The use of this platform was encouraged through awareness

activities to lenders and seekers of funds for MSMEs. Credit reports and scoring of individuals were to be built into the system such that the credit worthiness of fund seekers could be electronically ascertained within few minutes.

3. Getting electricity

Having identified that there were nine stages in the procedure for getting connected to the national electricity grid, PEBEC examined the procedure and reduced it to five stages. Consequently, the Nigerian Electricity Regulatory Commission (NERC) has issued a policy which outlined the five stages which processing of applications for connection to electricity should take for businesses. The new policy further mandates that once an application is approved, the time line for a new connection, which was previously an average of 198 days, should not exceed 61 days. The policy also enabled certified engineers to inspect sites for new connections.

4. Registering property

This reform applied particularly to businesses in Lagos and aims to reduce the processing period from 77 days to 30 days. In the past, sworn affidavit used to be required by the Land Registry before a title search could be carried out but that has now been abolished. For lands owned by the state government, the process for stamping of Deeds of Assignment and final registration of property has been merged. According to World Bank (2020) a new geographic information system was also put in place to.

5. Paying taxes

The completed reforms, with regard to paying of taxes, centred on the digitalisation of federal tax payment platform and the roll out of electronic taxpayers' self-service help desks at all offices of the Federal Inland Revenue Service (FIRS). Furthermore, there was the introduction of a one-for-all tax schedule on the online platform. Like many other areas of the reforms, the target was to drive down the time taken to file tax returns and for payment.

6. Entry and exit of people

To facilitate the easy movement of business persons into the country a simplified visa-on-arrival was put in place by the Nigeria Immigration Service (NIS), along with the use of consolidated documentation, both for arrival and departure. The Nigeria foreign missions were also mandated to operate within a 48 hour time line for processing business and tourist visas. Some amenities in the Abuja and Lagos airports were also improved upon, especially the escalators, air-conditioners and baggage carousels.

7. Construction permits

The reforms also sought to reduce the duration for processing construction permits from 42 days to 20 days, and in a bid to achieve this, electronic platforms

were also introduced to receive and treat applications and upload of architectural designs. The requirement for Environmental Impact Assessment and Soil Investigation Report are now only required where there is a high likelihood that there will environmentally impact or when it involves construction of high-rise buildings (above three storeys). There was also to be more transparency by the Lagos State Physical Planning and Permit Authority (LASPPPA) as formulas and rates for determining payable fees were to be made available on the website. Laws guiding the processing and regulation of construction permits were also to be well publicised using web enabled platforms and other media.
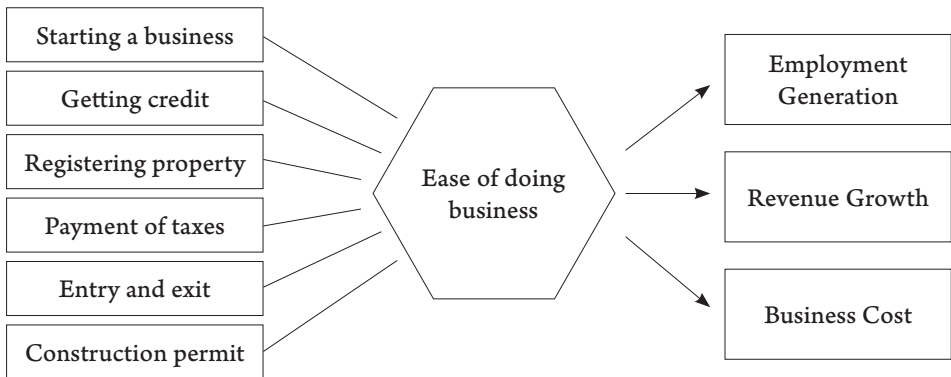
Figure 1. **Conceptual Framework of the Study**
Source: Author

Ease of doing business and business growth

Leal-Rodriguez and Sanchis-Pedregosa (2019) suggested there is no sufficient evidence upon which to assert that there is a causal link between the ease of doing business indices and actual growth of businesses and socio-economic wealth. The scepticism expressed in their study was a complete departure from dominant strands in the literature on ease of doing business, where a good number of studies had held that ease of doing business significantly impacts business and economic growth (Djankov, McLeaish and Ramalho, 2006; Busse and Groizard, 2008). Djankov et al (2006) supported the position that the higher the economy was on the ease of doing business ranking, the higher the level of economic growth and also there was positive influence on business growth and entrepreneurial activities. In similar vein, Busse and Groizard reached the conclusion that countries who allowed greater economic freedom for entrepreneurs, were found to also witness higher levels of economic growth. In some other group of studies, as seen in (Alfaro, 2003; Basu & Guariglia, 2007) a high ranking will lead to attraction of foreign direct investments, which ultimately translates to availability of funds, technology and opportunities for businesses.

There is also a depth of studies that hold that there is indeed a reverse relationship between economic growth and ease of doing business rankings

(Alfaro, Chanda, Kalemli-Ozcan & Sayek, 2009; Blonigen, 2011). These set of studies have argued that countries invariably climb up the ranking if they have strong economic indicators. The point they make is that a high and growing gross domestic product (GDP) is often reflective of high income and consumption levels, which simply presents more opportunities for business. What is clear from these works is that there is a significant relationship between the ease of doing business index and the direction of the economy, however, these studies have not made clear differentiation as to determine whether economic growth also reflects in business growth for medium, small and micro businesses. For instance, in the Nigerian context, there is the curiosity to investigate and reconcile one of the fastest rates of the economic growth in the world recorded by Nigeria between 2011 and 2015, and the country's unimpressive ranking of 137th, 133rd, 131st, 147th and 150th respectively in those years. Consequently, the perspectives and clear delineation of the impact of ease of doing business on economic growth, on one hand, and business growth, on the other hand, needs to be established. Hence, the gap that this present study hopes to address is in investigating the impact of ease of doing business reforms on business growth as a stand-alone, rather than as a subset of economic growth.

This paper will focus on the employment generation, revenue growth and business cost reduction as constructs of business growth and how they react to ease of doing business reforms. In order to investigate this relationship, the hypotheses of this study are:

H1: Ease of doing business reforms will impact employment generation of MSMEs in Nigeria.

H2: Ease of doing business reforms will impact revenue growth of MSMEs in Nigeria.

H3: Ease of doing business reforms will impact business costs of MSMEs in Nigeria.

METHODS

Sample and procedures

The purposive sampling technique was used to draw a sample size of 200 operators of MSMEs in the Lagos state comprising clusters in Ikeja, Apapa, Lagos Mainland and Lagos Island business districts. This technique was favoured because of the high number of operators, their diversity and the limited time allowed for the study. Of this number, 128 questionnaires were properly completed and returned. This indicated a response rate of 64%. Survey was conducted using the self-administered questionnaires with a total of 30 items, with each construct being measured by 3 items. The study adopts the seven point Likert scale questionnaire with responses ranging from "Strongly Disagree" to "Strongly Agree", representing values 1 to 7, respectively. The instrument, which has a Cronbach's Alpha of 0.766, measured the perception of MSME operators

about how well the ease of doing business reforms was impacting their business objectives. To enable the respondents understand the questions being asked, the contents of the questionnaire were supplemented to aid easy understanding.

Survey tool

Table 2

Demographic characteristics

Variable	Number (%)
GENDER	
Male	79 (61.7)
Female	49 (38.3)
AGE OF BUSINESS	
0–3 Years	46 (35.9)
4–5 Years	38 (29.7)
6–10 Years	28 (21.9)
11–15 Years	6 (4.7)
Above 15 Years	10 (7.8)
EDUCATION	
FSLC	5 (3.9)
Secondary School	31 (24.2)
HND/Bachelors Degree	57 (44.5)
Masters & Above	35 (27.3)
BUSINESS CATEGORY	
FMCG Store	16 (12.5)
Services	51 (39.8)
Food	41 (32.0)
Technical Sales / Equipment	20 (15.6)
ANNUAL INCOME EST.	
0–10 Million	60 (46.9)
11–50 Million	30 (23.4)
51–100 Million	25 (19.5)
100 Million & Above	13 (10.2)
TOTAL	128 (100)

Outcome and explanatory variables of the study

The study measured ten variables in all – three outcome variables (MSME aspirations) and seven explanatory variables. The outcome variables are Employment Generation (EMGN), Revenue Growth (RVGR) and Business Cost (BUCO). The explanatory variables on the other hand include Starting a business (SB), getting credit (CR), getting electricity (EL), registering property (RP), payment of taxes (PT), entry and exit of people (EEP) and Construction permits (CP).

Model specification

The Hierarchical Multilevel Linear modelling technique used in this study is presented as follows:

Hypothesis I: The Ease of doing business reforms will generate more employment in Nigerian MSMEs.

Model 1

$EMGN = β0 + β1SB + β2CR + ε$

Model 2

$EMGN = β0 + β1SB + β2CR + β3EL + β4RP + β5PT + ε$

Model 3

$EMGN = β0 + β1SB + β2CR + β3EL + β4RP + β5PT + β6EEP + β7CP + ε$

Hypothesis II: The Ease of doing business reforms will impact revenue growth of Nigerian MSMEs.

Model 1

$RVGR = β0 + β1SB + β2CR + ε$

Model 2

$RVGR = β0 + β1SB + β2CR + β3EL + β4RP + β5PT + ε$

Model 3

$RVGR = β0 + β1INTF + β2NCOL + β3LNSZ + β4ACFN + + β5AGLI + β6LNTN + β7GDLN + ε$

Hypothesis III: The Ease of doing business reforms will impact business costs of Nigerian MSMEs.

Model 1

$BUCO = β0 + β1SB + β2CR + ε$

Model 2

$BUCO = β0 + β1SB + β2CR + β3EL + β4RP + β5PT + ε$

Model 3

$BUCO = β0 + β1SB + β2CR + β3EL + β4RP + β5PT + β6EEP + β7CP + ε$

Results and analyses: hierarchical regression analyses on the effects of ease of doing business reforms on employment generation, revenue growth and business cost of MSMES

This study utilises the hierarchical linear modelling technique, also known as the hierarchical multiple linear regression model of the Ordinary Least Squares technique for its analysis. In performing the analysis, the authors' carried out a three-step regression on each of the outcome variables. In step one, starting a business and getting credit are regressed, in step two, starting a business, getting credit, getting electricity, registering property and payment of taxes are regressed, and in step three, starting a business, getting credit, getting electricity, registering property, payment of taxes, entry and exit of people and construction permits are all regressed. These three steps are carried out while regressing against each of Employment Generation, Revenue Growth and Business Cost.

Table 3

The effects on employment generation

Model	Variable	Standardised coefficient (β)	T	P-value	Adjusted R²	F
1	Starting a business (SB)	-0.037	-0.413	0.680	-0.007	0.550
	Getting credit (CR)	-0.084	-0.948	0.345		
2	Starting a business (SB)	-0.054	-0.622	0.535	0.71	2.950
	Getting credit (CR)	0.102	0.732	0.466		
	Getting electricity (GE)	-0.093	-0.690	0.492		
	Registering property (RP)	0.231	2.365	0.020*		
	Payment of taxes (PT)	0.213	2.371	0.019*		
3	Starting a business (SB)	-0.094	-1.146	0.254	0.184	5.103
	Getting credit (CR)	0.431	2.464	0.015*		
	Getting electricity (GE)	-0.398	-2.743	0.007*		
	Registering property (RP)	0.177	1.859	0.065		
	Payment of taxes (PT)	0.054	0.586	0.559		
	Entry & exit of people (EEP)	0.096	0.748	0.456		
	Construction Permits (CP)	-0.471	-4.340	0.000*		

*p has a statistical significance at <.05

This result shows that in the first instance, with a negative adjusted r square of (-0.007) the starting a business and getting credit do not explain the variation in the employment generation rate in MSMEs. Neither of them has turned out as a good predictor of employment generation. In step two, after the addition of getting electricity, registering property and payment of taxes, we find that there is now a 71% power of explanation, which is quite high. Here we also see that getting credit (0.732), registering property (2.365) and payment of taxes (2.371) now become good predictors of employment generation, especially the registering property and payment of taxes, who also turn out to be significant predictors. In the third step, the explanatory power (18%) of the model is negatively affected by the addition of entry and exit of people and construction permits. Of the seven predictor variables, only getting credit (2.464), registering property (1.859), payment of taxes (0.586) and entry and exit of people (0.748) remain good predictors of employment generation but only getting credit is statistically significant. In conclusion though, it must be pointed out that the perception of MSME operators about the ease of doing business reforms with regard to employment generation rate shows that the reforms have had significant influence on the employment generation of MSMEs, as a result of the ease in registration of properties and payment of taxes, where only the first five reforms apply. But when the seven reforms are applied, the study finds that only getting credit indicates a significant influence on employment generation. In testing the hypothesis (H1) that the reforms will impact employment generation of Nigerian MSMEs, the null hypothesis is accepted in all first and second hierarchies of the modelling

here, that is, the reforms will not have impact on employment generation of MSMEs in Nigeria as F(0.550 and 2.950) are all below the acceptable F ratio of 3.07, however, null hypothesis is rejected at the third hierarchy (5.103) which accommodates all seven predictor variables, confirming that the reforms will have a significant impact on employment generation, if applied together. In reality, all seven reforms are being implemented simultaneously. Therefore, the only acceptable model for employment generation is the third model, and it suggests that employment generation will improve if more reforms are carried out and implemented simultaneously.

Table 4

The effects on revenue growth

Model	Variable	Revenue growth				
		Standardised coefficient (β)	T	P-value	Adjusted R²	F
1	Starting a business (SB)	-0.221	-2.765	0.007*	0.187	15.642
	Getting credit (CR)	0.397	4.963	0.000*		
2	Starting a business (SB)	-0.218	-3.195	0.002*	0.417	19.147
	Getting credit (CR)	0.449	4.069	0.000*		
	Getting electricity (GE)	0.198	1.854	0.066		
	Registering property (RP)	0.425	5.488	0.000*		
	Payment of taxes (PT)	-0.258	-3.627	0.000*		
3	Starting a business (SB)	-0.195	-2.815	0.006*	0.423	14.315
	Getting credit (CR)	0.482	3.278	0.001*		
	Getting electricity (GE)	0.248	2.036	0.044*		
	Registering property (RP)	0.409	5.112	0.000*		
	Payment of taxes (PT)	-0.209	-2.686	0.008*		
	Entry & exit of people (EEP)	-0.174	-1.608	0.110		
	Construction Permits (CP)	0.114	1.249	0.214		

*p has a statistical significance at <.05

This result shows that when two predictor variables (SB and CR) are used, only getting credit indicates that it is a good predictor criterion (4.963) and this is equally statistically significant. Both variables also have a 18% explanatory power of revenue growth. The model is also strong at F = 15.642 > 3.07. Attempts were made to improve the model, by adding other variables in model 2 and the result was a marked improvement on the first model (F = 19.147 > 3.07) and 42% power of explanation. The findings show that getting credit (4.069), getting electricity (1.854) and registering property (5.488) are good predictors of revenue growth, although getting electricity was not statistically significant. Subsequently, two more variables were then added (EPP and CP) and thus a new model emerged. The result showed that in addition to CR, GE and RP, which were good predictors

in the model 2, CP also turned out a good predictor – each with 3.278, 2.036, 5.112 and 1.249 respectively. However, only CR, GE and RP are statistically significant predictors. Model 3 was found to be strong with F = 14.315 > 3.07, with 42% of the variation explained. It is worth mentioning though that all three models on revenue growth proved to be acceptable. In testing the hypothesis (H2) that the ease of doing business reforms will impact revenue growth of MSMEs in Nigeria, the null hypothesis is only rejected in all three levels of the modelling. This is very instructive and it shows that, although getting credit, getting electricity and registering property are the most important predictors of MSME revenue growth, when all the reforms are considered together, every effort at reforming business regulations in Nigeria has positively impacted revenue growth of MSMEs.

Table 5

The effects on business cost

Model	Variable	Business cost				
		Standardised coefficient (β)	T	P-value	Adjusted R²	F
1	Starting a business (SB)	-0.369	-4.712	0.000*	0.222	19.072
	Getting credit (CR)	-0.299	-3.811	0.000*		
2	Starting a business (SB)	-0.349	-5.332	0.000*	0.464	22.979
	Getting credit (CR)	-0.432	-4.079	0.000*		
	Getting electricity (GE)	0.352	3.442	0.001*		
	Registering property (RP)	0.284	3.819	0.000*		
	Payment of taxes (PT)	-0.307	-4.502	0.000*		
3	Starting a business (SB)	-0.282	-4.868	0.000*	0.597	27.830
	Getting credit (CR)	-0.451	-3.670	0.000*		
	Getting electricity (GE)	0.562	5.505	0.000*		
	Registering property (RP)	0.263	3.922	0.000*		
	Payment of taxes (PT)	-0.144	-2.214	0.029*		
	Entry & exit of people (EEP)	-0.437	-4.844	0.000*		
	Construction Permits (CP)	0.408	5.350	0.000*		

*p has a statistical significance at <.05

Looking at the impact of these reforms on business cost, the authors' findings show that neither SB nor CR, which were used in model 1 were good predictors of business cost reduction. In model 2, it was found that out of the five predictors only GE and RP were good predictors and statistically significant, and the model accounted for 46% of the variation in the business cost reduction. The model had F = 22.979 > 3.07, which implied that the model is a strong one. In model 3, GE (5.505), RP (3.992) and CP (5.350) were able to predict business cost reduction out of the seven applied. The model was able to explain 59% of the variation in

business cost reduction. Also at F = 27.830 > 3.07, the null hypothesis was also rejected, indicating that the business reforms has been able to positively impact business cost. Attention should, however, be paid to the getting electricity, registering property and construction permit as the three significant inputs that have yielded this result.

DISCUSSION AND CONCLUSION

In conclusion, results show that the ease of doing business reforms in Nigeria is fast gaining traction, especially with regard to revenue generation and reduction of business cost among micro, small and medium enterprises (MSMEs) in Nigeria, particularly in the Lagos business metropolis. However, the study could not find evidence strong enough that the same reforms has had positive impact on employment generation capability of MSMEs in the country. In another vein, it is apparent that more still needs to be done in order to extract positive contributions from all the reforms because on the whole, this study recorded that out of the seven areas of reforms considered, only three (getting credit, getting electricity and registering property) consistently contributed to revenue generation and reduction in business cost. Government should therefore put in more effort in the other areas of the reform and also craft reforms that will positively and significantly impact the ability of businesses to generate employment. Without this, the exponential potential in these reforms cannot be realised.

Policy implications

As seen in the findings of this study, the ease of doing business reforms in Nigeria has, so far, weighed in heavily on how MSMEs can be assisted to access credit, electricity and registration of business properties. Other elements of good business regulation such as the fundamental matter of starting or registering a business, paying taxes, entry and exit of persons, and processing of construction permit. Policy crafters should deepen the benefits of regulatory reforms, particularly those that affect MSMEs, by deliberately designing the reforms in such a way that able to impact the areas that have not witnessed improvements yet.

Managerial implications

The only way that MSMEs grow and become the pillars of the economy is when the pursuit for economic growth and socio-economic development is not left to government. Business owners, managers and operators must put in their own shifts as well. They must take up for responsibilities for the economy. One of the findings here show that employment creation is not likely to respond to the business regulatory reforms as presently designed and being implemented because government does not take business decisions for the MSMEs. The reforms

are intended to be interconnected and synergistic, such that revenue growth and reduction in business cost are able to give rise to employment creation and other expansionary effects, and vice versa. But where business owners decide to ignore their power to employ more hands and rather continuing with same manpower despite increase in volume of business, then it will be difficult to achieve the objectives of such reforms.

Limitations and future research

One limitation of this article that the sample was majorly drawn from Lagos and this may pose a drawback regarding external validity. Kano and Port Harcourt are some of the other big business hubs in Nigeria – they were not covered in this study. Future research may be carried out using a more nationally representative sample, if not larger. The authors' urge further empirical work on the influence of ease of doing business reforms on the growth and development of MSMEs in Nigeria, using samples from the core north and other southern markets outside Lagos. The authors' therefore offer this as a basis for further research which will lead to the accumulation and extension of representative samples and strong empirical evidence which can give more comfort and confidence to policy makers. Lastly, future research may employ the structural equation modelling (SEM) technique because of its capacity to simultaneously test the relationship among the variables in this paper. By using SEM, we will be able to better ascertain the direct and indirect relationships among our constructs even when presented as multiple items.

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DETERMINANTS OF CUSTOMER PATRONAGE OF FAST FOOD OUTLETS IN BENIN CITY

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Abstract

This study critically examined the factors influencing customer patronage of fast food outlets in Benin City. Specifically, the independent variables examined include quality of service delivery, brand image and price and how they relate to customer patronage. The study adopted survey research design. The population includes all customers that patronise fast food outlets in Benin City, Edo State. Fifty (50) respondents each were chosen in four fast food outlets namely: Mr. Biggs, Mat Ice, Kada Food and Omega Food to have a sample size of two hundred (200) out of which 188 questionnaires were found useable, amounting to 94%. The data analyses were done using both descriptive and inferential statistics. All analyses were done using Statistical Package for Social Sciences (SPSS 22.0) software. The study revealed that there are positive and significant relationship between the independent variables (service quality and brand image) and customer patronage except price that showed negative and not significant relationship with customer patronage. Based on these findings, the study recommended that fast food operators should continue to maintain high quality service delivery that will enhance the brand image of selected fast food outlets.

Keywords: Nigeria, service quality, brand image, customer value, customer patronage, fast food outlets

INTRODUCTION

The contemporary fast food revolution essentially had its origins in the US in the mid 1950's and this style of catering has continued to grow there and to most of the rest of the world (Jones, Hillier, Sheers & Clarke-Hill, 2002). Schlosser (2002) argue that fast food can be seen as a powerful symbol of globalisation and post-modern society and few countries of the world seem immune to its

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apparent attractions. According to Salami and Ajobo (2012, p.75), "Nigerians were first introduced to fast foods within the context of what obtains in United African Company (UAC) when they opened MR. BIGGS restaurant in 1987." However, long before then traditional fast foods had been in vogue and continue to be patronised. These include roasted plantain (bolie), roasted / fried yam (dundun), akara, suya meat (beef kebab), and fura de nono (local yogurt). Since the introduction of Mr. Biggs into the fast food industry, consumer acceptance of fast food has continued to increase. These include Tantalizers, Sweet Sensation, Tasty Fried Chicken, Chicken Republic, Mama Cass, Munchies, among others. Some of the fast food chains like Mr. Biggs, Tantalizers and Tasty Fried Chicken are now listed on the Nigerian Stock Exchange (Salami & Ajobo, 2012). The latest big entrants are McDonalds and Kentucky Fried Chicken (KFC). Many of the fast foods have outlets in the major cities of Nigeria such as Abuja, Benin City, Port Harcourt, Ibadan, Calabar, Warri and Asaba (Salami & Ajobo, 2012). The city of Lagos remains the headquarters of fast foods in Nigeria, although with the rapid urbanisation and expansion of the other cities it means that most expansion in the fast food industry will take place outside Lagos.

In many cities in Nigeria, one can find numerous fast food restaurants where most of the foods sold are usually snacks, burgers, fries, chicken, cola drinks, ice cream, fruit drinks and other foods that are high in fat, sodium and sugar (Ajala, 2006; Aladelokun, 2006). The growth of this business can be noted in the fact that the number of fast food eating establishments scattered all over major streets of big cities, increased in the past few years with different exotic and enticing names (Konwea, 2012). It is in line with this monumental growth of fast food outlets in Nigeria that this study seeks to unfold the factors that motivate customers to patronise them.

Statement of the Research Problem

In the agricultural lifestyle of the past, most people grew and prepared their own meal. People consume a greater number of fresh fruits, vegetables and grains and fewer amounts of salts, fats and refined sugar. Most of the foods now lined up in fast food chains bear little remembrance to the original farm product (Konwea, 2012). Medical Research Council found that most fast food is very dense in calories so that people need only a small amount to bump up their calorie intake. Most of these foods are highly processed, often stripped of key nutrients and the result of this is malnutrition. The World Health Organisation (2000) report revealed that more than one billion adults worldwide are overweight and at least 300 million people clinically obsessed. This was attributed to the consumption of junk or refined food. He therefore linked the alarming figures of obsessed people to the high preference for fast food and consumption of non-nutritious diets (Adeniyi, 2005).

Adeniyi (2004) reporting the remark of a nutrition experts about Nigeria pointed out that there are different nutritional diseases that are now plaguing

the society. According to him nutrition experts have linked such diseases to abuse of certain foods. He further explained that diseases like diabetes, obesity are linked to high rate of sugar consumption as well as the craze for sugary foods both by the young and adults which are mostly sold in fast food outlets. The tastes and needs of consumers are dynamic, implying that every brand should constantly seek ways to offer freshness in order to remain relevant in the market place. The fast food industry is no longer divided into clear-cut segments since the products and services offered do sometimes overlap (Salami & Ajobo, 2012). Therefore, the way and manner services are rendered by fast food outlets are critical to gaining competitive edge. Any service provider that seeks to enjoy competitive edge must respond to customer needs so as to promote satisfaction and secure continuous customer patronage. The intensity of competition has created the need for fast food enterprises to seek way of serving their customers better so as to win their patronage.

There has been very little academic research on the fast food sector in the developing countries, so little is known about the fast food consumer in these countries (Ibrahim & Vignoli, 2005). In order to identify patterns of consumer patronage in the fast food market, a study of this nature is needed. Consequently, this study seeks to critically examine the extent to which service quality, brand image, customer value (price) and customers' demographic characteristics determine their patronage of fast food outlets in Benin City.

RESEARCH QUESTIONS

Deriving from the stated problem, this study formulated the following questions:

1. Does the quality of service render by fast food outlets significantly affect customer patronage?
2. What is the influence of brand image on customer patronage of fast food outlets?
3. Is there any significant relationship between customer value (price) and customer patronage of fast food outlets?

OBJECTIVES OF THE STUDY

The main objective of this study is to critically examine the determinants of customer patronage of fast food outlets in Benin City. Specifically, the study seeks, to:

1. Determine whether the quality of service render by fast food outlets significantly affect customer patronage;
2. Ascertain the influence of brand image on customer patronage of fast food outlets; and
3. Examine the relationship between customer value (price) and customer patronage of fast food outlets.

RESEARCH HYPOTHESES

In line with the research questions and objectives, this study seeks to test the following null hypotheses:

1. Quality of service render by fast food outlets does not significantly affect customer patronage.
2. There is no significant relationship between brand image and customer patronage of fast food outlets.
3. There is no significant relationship between customer value (price) and customer patronage of fast food outlets.

LITERATURE REVIEW

Overview of Fast Food Industry and its Growth in Nigeria

A fast food restaurant also known as a Quick Service Restaurant (QSR) within the industry itself is a specific type of restaurant characterized both by the fast cooking and by minimal table service. Food served in fast food restaurants are cooked in bulk in advance and kept hot, is finished and packaged to order and is usually available or ready to take away, even though seating may be provided. According to Salami and Ajobo (2012), modern history of fast foods in America dated back to July 7, 1912 with the opening of a fast food restaurant called the Automat in New York. The Automat was a cafeteria with its prepared foods behind small glass windows and coin-operated slots. The company also popularized the notion of "take-out" food, with their slogan "less work for mother". The American company White castle is generally credited with opening the second fast-food outlet in Wichita, Kansas in 1921. Most historians state that A & W was the first fast food restaurant which opened in 1919 (Grass, 1977). By 1961 Ray Krock bought out the McDonald brothers and created what is now the modern McDonald's corporation. One of his major business strategies was to promote cleanliness of his restaurants to the growing groups of Americans that had become aware of food safety issues. Fast food has generally been designed to be eaten "on-the-go" and often does not require traditional cutlery and is eaten as a finger food. Fast food outlets have become popular with consumers for several reasons. One is that through economics of scale in purchasing and producing food, these companies can deliver food to consumers at a very low cost. According to the Bureau of Educational and Cultural Affairs (http://exchanges.State.gov) although some people dislike fast food for its predictability, it can be reassuring to a hungry person in a hurry or far from home.

In his best-selling 2001 book Fast Food Nation, Schlosser (2001) levelled a broad, socio-economic critic against the fast food industry, documenting how fast food rose from small, family-run businesses (like McDonald brothers' hamburger joint) into large, multinational corporate juggernauts whose economies of scale radically transformed agriculture, meat processing, and labour markets in the late

20th century. He argues further that while the innovations of fast food industry gave Americans more and cheaper dining options, it has come at the price of destroying the environment, economy, and small-town communities of rural America while shielding consumers from the real costs of their convenient meals, both in terms of health and the broader impact of large-scale food production and processing on workers, animals and land.

Because Nigeria is one of the fastest growing economy in the world, coupled with what may be described as emerging acculturation, more fast food restaurants are being established even on smaller scale. According to Salami and Ajobo (2012), the expansion in the fast food industry may be attributed to the following: increasing urban migration which affect the younger population who are also more receptive to the fast food concept; increasing Western acculturalization among the populace; the increasing affluence among the people; the changing life styles as indicated by the increasing belief that eating out is part of leisure; the perception among the working class singles (male and female) that fast food is cheaper and perhaps more efficient on their time; the changing demographic composition of the workplace as more women are employed at different levels of the economy; pressure of work and other social activities leave little room for cooking at home; and the expansion of fast food menus to incorporate indigenous dishes provide prospective customers a desired alternative to the Western meals, among others.

Concept of Customer Patronage

The customer is as old as business. The sole purpose of every business is to 'Create Customer' (Drucker, 1973). Drucker (1973) opined that the only economic and social justification for the existence of any business is to create customer satisfaction. The importance of the customer and customer patronage per se is so profound. It includes financial and non-financial dimensions. Many studies have been done on what influences or impacts on level of customer patronage. They include firm's capability, product or services attributes, economic situation, political forces, social and psychological factors, situational, competition, marketing mix programs (Ogwo & Igwe, 2012; Schiffman & Kanuk 2009). Experience indicates that defining and measuring patronage is extremely difficult. Attitude and actual usage patronages have been used as measures of customer patronages. Dick and Basu (1994) precisely suggest that favourable attitude and repeat purchase were required to define patronage. Intention to use is defined as a specific desire to continue relationship with a service provider (Czepiel & Culmore, 1987). In measuring repurchase retention; surveys are usually obtained from existing customers by assessing their predisposition to buy the same brand, product or service from the same organisation (Ogbeide & Agbadudu, 2015).

Attitudinal measures have an advantage over behavioural measures (actual or repeat patronage) in that they can provide greater understanding of the factors associated with the development and modification of patronage (Oliva, Oliver & MacMilian, 1992). Ajzen and Fishbein (1980) argue that attitudes are functionally

related to behavioural intentions, which predict behaviour. A person's intention to behave in a certain way is contingent upon the attitude toward performing the behaviour in question and the social pressure on him/her to behave in that way (subjective norm). This suggests that attitudes and subjective norms differ according to the person involved and behavioural context.

Theory of Planned Behaviour (TPB), which is an extension of Theory of Reasoned Action (TRA), has introduced another factor that affects behavioural intention, which is the perceived behavioural control. Control beliefs and perceived power are the main construct of perceived behavioural control. Consumers vary in their commitment to attitude; the degree of commitment relates to their level of involvement with the attitude object. This commitment ranges from inertia to a strong emotional passion. Commitment might be based on customers' intentions as want, expectation, plans for the future and even emotional attachment to a product. We concentrated more in this study on customer's intention to patronise a product in the future and recommend such to friends. This is in line with Tafamel and Oshodin (2015, p. 130) submission that "if customer is satisfied, he/she will be more likely to have willingness to buy again, namely repeating purchase or recommending others to buy."

In the behavioural attitude, behavioural patronage or usage measures are based on observable responses to, object, promotional stimuli-repeat purchases, and number of purchase, usage, behaviour, then attitude rather towards the product or brand (Schiffman & Kanuk, 2009). Critically, it neglects the psychological aspect of patronage. The theory of reasoned action as expanded from Fishbein's model aims to measure and support behavioural intention, recognising that certain uncontrollable factors limit our ability to predict the future with 100 percent accuracy.

Review of Studies on Customer Patronage

In this section, the identified factors that can influence customer patronage are conceptually and empirically reviewed. The factors are: service quality, brand image and customer value (price).

1. Service Quality and Customer Patronage

The term "service" has been defined severally by different authors. Inegbenebor (2006) defines service an as intangible benefit provided to individuals, businesses, government establishments and other organisations through the performance of a variety of activities or the provision of physical facilities, product or activity for another's use. A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product (Kotler, 2003). According to Stanton, Etzel and Walker (1998) described services as identifiable, intangible activities that are the main object of a transaction designed to provide want-satisfaction to customers. Morden (1991) posits that service refers to those

separately identifiable, but intangible activities that provide want-satisfaction for the sale of a product or another service. A service is an act or benefit that does not result in the customer owing anything. This definition expresses the central idea, but it is limited in that it does not sufficiently distinguish between the marketing of goods and services (Peter, 1998).

2. Characteristics of Services

There are five important features of services. These features are explained as follows:

Intangibility: A service is said to be intangible because it had no physical properties. It cannot be seen, felt, tasted or tested before purchasing it. Because it is intangible, one can only experience it after purchasing it, by seeking the opinion of those who have used or experienced it, or by deduction from the physical items used in producing it. As a result of this, a company's promotional programmed must portray the benefits to be derived from the service rather than emphasizing the service itself. Ijewere (2008) outlines four promotional strategies that may be used to suggest services benefits which are as follows:

a. Visualisation: For example, most educational institutions depict the benefits of their school with adverts like book, biro, school children, and children's toys and so on.

b. Association: It is when the service is connected with a tangible good, person, object or place. For example NYSC, emblem depicts the Nigeria Flag and Unity torch.

c. Physical Representation: For example, restaurants, telephone companies, health centres etc. dress their services representatives in clean, distinctive uniforms to stress visibility, cleanliness and dependability.

d. Documentation: It is when service firms cite facts and figures in their advert to support their claims. For instance, Nigeria Television Authority (NTA) claims that millions of Nigerians view their programmes across the country.

Perishability: Perishability means that service cannot be stored or stored. A service cannot be stored the way physical products are stored awaiting consumption at a different time or location. Services are consumed as they are being created or provided. The services of a doctor or a nurse in a health centre are consumed by the patient and his/her relations as they are being provided. If the health centre has the capacity to attend to one hundred patients a day but only forty patients turn up, the capacity that is unused is lost forever. The unused capacity cannot be stored for a later time

Inseparability: Services are normally produced and consumed at the same time and in the same place. A medical examination is an example. The doctor cannot produce the service without the consumer being present. Further, the consumer is actually involved in the production process, answering the doctor's questions and describing his or her symptoms. Because of this inseparability feature, many people are involved concurrently in the production

operations and the marketing effort in services firms. The chain of distribution in this case, is producer to the consumer. This implies that the producer sells his services directly to the consumer without an intermediary.

*Heterogeneity***:** This means that service standard has the tendency to vary from time to time in the same firm. The services rendered to customers by a desk receptionist at a hotel tend to vary from customer to customer due to a variety of factors – the number of customers waiting to be served at a point in time, the behaviour of the customer being served, swings in the mood of the receptionist, etc. variability of service standard occur in the production and delivery of service largely because services are rendered by people who are to exercise discretion in the course of rendering them. Careful selection and training of service personnel, specification or detailed procedures for rendering service, supervision and use of technology are techniques used in controlling variability in service standards but the problem of service heterogeneity remains a critical feature of services (Inegbenebor, 2006).

Ownership: Lack of ownership is a basic difference between a service and a good. With goods, buyers have full use of the product and the benefits it provides. They can consume it, store it or sell it. But with a service a customer may only have personal access to it (e.g. a hotel room, an airline trip) for a limited time. Payment is usually for the use of, access to or hire of items.

Parasuraman, Zeithaml and Berry (1988) defined service quality as "global judgment or attitude relating to the superiority of the service". The superiority of the service is confirmed by what the service delivers, which is the outcome and is evaluated after the performance, and how the service is delivered, which is the process and is evaluated during delivery. Hoffman and Bateson (2006) defined service quality as an attitude formed by a long-term, overall evaluation of a firm's performance. This distinguishes the concept from customer satisfaction which is a short-term, transaction-specific measure (Hoffman & Bateson, 2006). The service quality process can be examined in terms of the gaps between management, employees' and customers' expectations and perceptions (Hoffman & Bateson, 2006). According to Hoffman and Bateson (2006), service quality focuses on the customers' cumulative attitude towards the firm which is the result of a number of successful or unsuccessful service experiences.

According to Asubonteng, McCleary, and Swan (1996) what a service delivers is difficult to evaluate for any service, so consumers or customers rely on other measures of quality attributes associated with service delivery, as evidenced in the five generic dimensions of service quality. A survey of service theory seems to indicate that, clients will judge that quality is low if performance does not meet their expectation and that quality is high if performance exceeds their expectations. Asubonteng, et al (1996) observed that due to intense competition and the hostility of environmental factors, service quality has become the cornerstone marketing strategy for companies. This highlights how important improving service quality is to organisations for their survival and growth since

it could help them tackle the challenges they face in a competitive market. This means that service-based companies are compelled to provide excellent services to their customers in order to have a sustainable competitive advantage. There is however, a need for these organisations to understand what service quality is in order to attain their objectives.

Many scholars agree with the summarised five dimensions of service quality; reliability, responsiveness, tangibles, empathy, assurance of (Zeithaml & Bitner, 2000) and more recently the additional two interactive qualities namely: recognition and flexibility. These service dimensions are appreciated more depending on the individual characteristics, level of industry development and extent of competition. Specifically with respect to fast food outlets, service quality relates to quality of food, cleanliness, consistency, hospitality of staff, among others. Ogwo and Igwe (2012) found a positive relationship between service qualities and repurchase intention and willingness to recommend. Similarly, Ranaweera and Neely (2003) study on some moderating effects on the service-customer retention link in England showed that perception of service quality has a direct linear relationship with customer purchase intention. However, the study of Ogbeide and Agbadudu (2015) on determinants of brand equity, perceived value and revisit intention in the hotel industry revealed an insignificant relationship between perceived quality and revisit intention. Also, Cronin and Taylor (1992) study did not appear to have a significant effect on repurchase intention, while Lee and Feick (2001) and Gerpott, et al. (2001) study telecommunication industry in South Korea and Germany respectively showed that call rate, quality of core service, clarity of voice positively impact on customer patronage.

3. *Approaches to Measuring Service Quality*

The SERVQUAL model developed by Parasuraman et al. (1988) is the most frequently used measure of service quality. It measures the gaps between expected service and perceived service in different industries. The difference in perceptions and expectations is what determines the nature or quality of the service. A negative gap score is indicative that the perception scores are lower than the expectation scores and, therefore, the service does not meet and exceed a customer's expectations. SERVQUAL is based on five dimensions of service quality, namely, reliability (ability to perform the promised service dependably and accurately), responsiveness (willingness to help customers and prompt service), assurance (knowledge and courtesy of employees and their ability to gain trust and confidence), empathy (providing individualized attention to the customers) and tangibles (physical facilities, equipment and personnel appearance), and is operationalised in the form of two sections to measure customer expectations and perceptions. This measurement instrument is the most widely used tool for measuring service quality and its application continues to increase in different services settings, such as banks (Jabnoun and Tamimi, 2003), health (Arasli et al., 2008), education (Tan & Kek, 2004), hospitality, travel and tourism (Mwanza & Chingarande, 2013), and the call centre industry.

Despite its wide usage the SERVQUAL model has been criticised by a number of researchers (Carman, 1990; Babakus & Boller, 1992; Teas, 1994). Criticism was directed at the conceptual and operational aspects of the model, mostly its validity, reliability, operationalization of expectations, and dimensional structure. However, there is general agreement that SERVQUAL items are reliable predictors of overall service quality (Khan, 2003). Parasuraman et al. (1988) noted that even if it may be necessary to reword or modify some of the items, the SERVQUAL scale is applicable in a wide range of business services.

4. *Brand Image and Customer Patronage*

The American Marketing Association defined brand as any name, term, sign, symbol, or design, or combination of these that identifies the maker / seller of the product or service and differentiates it from competitors. Kotler (2000) contends that brand is a name, term, symbol, design or all the above, and is used to distinguish one's products and services from competitors. He observes that image is the way that public perceives the company or its product. Image is affected by many factors beyond the company's control. The consumer develops a set of brand beliefs about where each brand stands on each attribute. The set of beliefs about a brand make up brand image. The consumer's brand image will vary with his or her experiences as filtered by the effects of selective perception, selective distortion and selective retention. The level of brand awareness, image, identity, association, and reputation are very important in customer choice/patronage. Brand image is the perception about a brand as reflected by the brand as held in a consumer's memory (Kotler, Bouden & Jane, 2006). Brand's image is a perceptual asset in the minds of stakeholders about a performance. It is built on the brand association with other brand identities. Marketing program/communication creates brand image that is used to influence consumer behaviour or patronage. Brand images are not only created by marketing program or communication but through direct experience, brand information, word of mouth, channel members, country of origin and place, and everything that has to do with the touch point between the brand and the customers. Ideally, for an organisation to achieve brand reputation it must have huge brand equity. Brand equity is the added value endowed to product and service which is reflected in how a consumer feels, thinks, and acts with respect to the brand (Ogwo & Igwe, 2012).

The quality and quantity of brand promotion, image, and reputation can influence consumer patronage. Yi, Xiaoqin and Weiqing (2009) study found that corporate image positively relates to intention to buy and behavioural patronage. Similarly, Andreassen and Lindestad, (1998) found that good corporate image and reputation help to increase firm's sales, market share and to establish and maintain a loyal relationship with customer. A favourable corporate image can influence repeated patronage (Dick & Basu, 1994). In a related study Chaudhuri and Holbrook (2001) and Boohene and Agyapong (2011) in Ghana showed that brand image and brand effect, combine, determine purchase loyalty and attitudinal loyalty.

5. *Customer Value (Price) and Customer Patronage*

Customer value is an intangible factor which has significant role in influencing buying decisions. Customer value includes broadly psychometric variables like brand name, loyalty, satisfaction and referral opinions. Customer lifetime value is built over time by business firms and which also contributes to the individual perceptions of customers, augmenting their value. The concept of price or customer value has its origin in equity theory, which consists of the ratio of the consumers' outcome / input to that of the service provider outcome / input (Oliver & Desarbo, 1988). Equity concept refers to customer evaluation of what is fair, right or deserved for the perceived cost of offering (Bolton & Lemon, 1999), and a trade-off between the quality and benefits they perceive in the product relative to the sacrifice they pay (Monroe, 1991). Price is often used by consumers as an extrinsic product-quality cue (Teas & Agarwal, 2000). It can be deduced that price or customer value is a subjective perception of trade-off between what a customer gives up (price, sacrifice) and what the consumer received (utility, quality, benefits). Many have used price as a measure of wealth, value and quality. Perceived cost includes monetary payments and non-monetary payment sacrifices such as time, consumption, energy, stress and risk experienced by a consumer. Apart from the consumers' direct evaluation of product attributes (product in-use value and redemption value) as suggested in Teas and Agarwal (2000), consumer often measures a company's ratio of outcome to inputs by making comparisons with its competitor's offerings.

Providing value to customers is critical. Price has been observed as an important variable affecting the acceptance, and even future patronage of fast food outlets. In supporting this, the studies of Woodruff (1997), Varki and Colgate (2001), and Mohammed (2008) found that the lower the charges, the more customer consumed and the higher the patronage. Chang and Width (1994) reported that price (customer-perceived value) has been found to be a major contributor to purchase and behavioural usage.

Theoretical Framework

Customer patronage has been associated with several factors. These factors include physical setting, business location, corporate identity and advanced inclination behaviour (Adiele & Opara, 2015; Eze, Odigbo & Ufot, 2015; Jere, Aderele & Jere, 2014; Nwulu & Asiegbu, 2015). Literature abounds on the antecedents of customer patronage including product service, quality, service environment, store choice, shopping experience, cost and merchandise value, location, merchandise and store atmosphere, access in store atmosphere and cross category product store assessment (Eze, et al., 2015). Jere (2014) suggests that a conceptualised notion of store patronage is augmented by attitudinal and behavioural intentions and they offer several benefits which include; functional or utilitarian benefits, hedonic benefits and psychological benefits (Kriesner & Leeth, 2010). Other factors are hinged on behavioural measures (Ajzen, 1991;

Nwulu & Asiegbu, 2015). To better understand customer patronage behaviour researchers have made reference to several theories.

Prominent among them is the "Theory of Reasoned Action" (TRA), developed by Ajzen and Fishbein (1980). This theory asserts that "people have high degree of volitional control and make reasoned choices among alternatives" (Ajzen & Fishbein, 1975). This research is guided by the theory of reasoned action (Ajzen & Fishbein, 1980), which suggests that human behaviour is best predicted by an individual's stated intention to behave in a certain way. An individual's behavioural intention is a product of two factors: his/her attitude toward a given behaviour and his/her subjective norm (i.e., his/her perception of the desirability of the behaviours to important others). A greatly simplified view of buyer behaviour is offered in reasoned action theory which is operationalized in the extended Fishbein model (Ajzen & Fishbein, 1980). This model has been the subject of extensive empirical validation and has shown impressive heuristic utility in consumer behaviour research (Sheppard et al., 1988). The basic theory is that a weighted combination of attitudes towards behaviour and subjective norms (attitudes imposed by referent groups) leads to intention which, in turn, precedes behaviour.

The theory of reasoned action (TORA) models decision processes where people have a high degree of volitional control and make reasoned choices among alternatives (Ajzen & Fishbein, 1980). Martin Fishbein and Icek Ajzen developed and explicated TORA over a number of publications (Ajzen & Fishbein, 1975; 1980). The theory is a development of Fishbein's (1967) theory of attitude and is known as the Fishbein-Ajzen behavioural intentions model, the I-B model and the extended model. Consumer researchers have applied the theory of reasoned action to a wide variety of behaviours over the years, including the consumption of automobiles, banking services, computer software, coupons, detergents, food choice, fast food restaurant choice and hotel choice. Sheppard et al. (1988) conducted two meta-analyses to investigate the effectiveness of the Fishbein and Ajzen model in marketing and social psychology research. They concluded that "the Fishbein and Ajzen model has strong predictive utility, even when utilised to investigate situations and activities that do not fall within the boundary conditions originally specified for the model". The extent to which the theory succeeds in predicting behavioural intention is usually evaluated by means of linear multiple regression analysis.

In proposing the theory of reasoned action, Ajzen and Fishbein (1980) argued that it provided a complete explanation of volitional control, and the addition of other variables would not significantly enhance the prediction of behavioural intention. Nevertheless, a number of additional components have been proposed, such as perceived moral obligation (Beck & Ajzen, 1991) , past behaviour (Bentler & Speckart, 1979), habit (Tourila & Pangborne, 1988), self-identity (Biddle et al., 1987) and retail characteristics and consumer lifestyle (Ogle et al., 2004). Perhaps the most significant of these proposed additions involves the influence of perceived behavioural control initially proposed by Ajzen (1985) in his theory of planned behaviour. However, this approach has been criticized by Fishbein and

Stasson (1990) and Ajzen (1988), who acknowledge that problems associated with this extension to the model have yet to be extensively investigated. In the context of food choice behaviour Sparks et al. (1992) conclude that perceived control is likely to prove applicable to those classes of action where volitional choice is significantly impeded. Since the initial stages of this study indicated that volitional choice of using international fast food restaurants was not "significantly impeded", perceived behavioural control was not measured. A healthy debate about additions and modifications to the theory of reasoned action continues; other criticisms include limited applicability and conceptual problems. Nevertheless, the theory's basic proposals have received continuing, widespread empirical corroboration and support, having been successfully applied to a diverse range of behaviour.

The fast-food industry is one sector where the application of this theory has been found to be of immense relevance (Sheppard, Harwick & Warshaw, 1988). The theory explains the functional relationship between attitude and subjective norm (i.e. attitude imposed by referent group) and that a person's behavioural intention is predicated on these two basic factors – attitude and subjective norm to maintain relationship (Ajzen & Fishbien, 1975). Patronage behaviour can therefore be measured by myriads of factors including; patronage intention, shopping enjoyment, satisfaction, time spent, number of items bought, repeat purchase, money spent, share of wallet, patronage action and repeat purchase or re-patronage (Nwulu & Asiegbu, 2015). However, this study selected three factors namely: service quality, brand image and customer value as determinants of customer patronage in fast food outlets.

METHODOLOGY

Research Design

In this study, survey research design was employed. A survey is a sociological procedure that uses mainly questions to collect information about the way people think or act. The survey was conducted through the use of questionnaire administration. The adoption of survey research design is due to its high flexibility of data collection, potential to build rapport, high degree of diversity of questions due to interaction. (Malhotra, Birks & Wills, 2013). The primary data were obtained from the respondents through the use of questionnaire.

Population of the Study and Sampling Technique

This study seeks to find out the factors influencing customer patronage of fast food outlets in Benin City. The population of this study consists of customers that patronise fast food outlets in Benin Cit. Benin City is the capital of Edo State in South-West geopolitical zone of Nigeria. The choice of the City as the case study is informed by its strategic location as the gateway to the Western and other Southern parts of Nigeria. Also, the City is a home to majority of the ethnic

groups in Nigeria. Fifty (50) respondents each was chosen in four fast food outlets namely: Mr. Biggs, Mat Ice, Kada Food and Omega Food in Benin City to have a sample size of two hundred (200). Convenience sampling, a non-probability sampling method was used in this study by selecting accessible customers of the aforementioned fast food outlets. The rationale for the adoption of convenience sampling is that it helps researcher to easily access and interacts with the respondents that filled the research instrument (questionnaire). Two hundred (200) copies of questionnaire were administered out of which 188 were used for data analyses. The return rate is 94%.

Model Specification

Customer patronage serves as the dependent variable while the independent variables are service quality, brand image, customer value (price). The model is functionally expressed as:

$CUSTPAT = f(SERQUAL, BRIMAGE, PRICE)$ .... (3.1)

Therefore:

$CUSTPAT = \beta_0 + \beta_1\,SERQUAL + \beta_2\,BRIMAGE + \beta_3\,PRICE + \varepsilon$ 3.2

Where:

$CUSTPAT$ = customer patronage
$SERQUAL$ = service quality
$BRIMAGE$ = brand image
$PRICE$ = price
β_0 = constant
ε = Error term
And a priori expectations: $\beta_1, \beta_2 > 0$; $\beta_3 < 0$

Validity and Reliability of Instrument

In order to guarantee the validity of the instrument, a number of marketing experts especially the discussant of the proposal amended some items in the questionnaire. This helped to add value to the final copy of the questionnaire. Data collected from questionnaire administration were subjected to a reliability analysis to determine the reliability of the measures. The results are shown in the table below.

Table 1

Reliability Test Using Cronbach's Alpha Method

Variables	Item Number	Number of Items	Cronbach's Alpha Value
Customer patronage	6–11	6	0.718
Service quality	12–19	8	0.836
Brand image	20–22	3	0.679
Price	23–26	4	0.714

The above Table 1 shows that the reliability values for the variables are between 0.679 and 0.836 using Cronbach alpha method. It can be concluded that the instrument is reliable.

Methods of Data Analysis

The data that were generated from the use of structured questionnaire were analysed using descriptive statistics such as: simple percentage, mean, and frequency distribution. Also, inferential statistics such as Ordinary Least Square (OLS) regression analysis was used to estimate the relationship between the dependent variable (customer patronage) and the independent variables (service quality, brand image, customer value [price]) and test the related hypotheses accordingly. All tests of significance were carried out at 5% level of significance. In addition, Statistical Package for Social Sciences (SPSS) version 22 software will be used for the analyses.

DATA PRESENTATION, ANALYSES AND INTERPRETATION

Respondents' Demographics

The respondents' demographics discussed in this section include: gender, marital status, age, educational qualification, and income per month of the respondents. The results are presented in Table 2 below.

Table 2

Gender of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Male	75	39.9	39.9	39.9
Female	113	60.1	60.1	100.0
Total	188	100.0	100.0	

Table 2 reveals that majority of the respondents sampled for this study are female which accounts for 60.1% while male accounts for 39.9%. The result indicates that the margin between the genders of the respondents is relatively high.

Table 3

Marital status of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Single	105	55.9	55.9	55.9
Married	83	44.1	44.1	100.0
Total	188	100.0	100.0	

Table 3 reveals that majority of the respondents sampled for this study are single which accounts for 55.9% while married accounts for 44.1%. The result indicates that the margin between the marital status of the respondents is moderate.

Table 4

Age of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Below 25 years	25	13.3	13.3	13.3
25–35 years	77	41.0	41.0	54.3
36–45 years	78	41.5	41.5	95.7
46–55 years	8	4.3	4.3	100.0
Total	188	100.0	100.0	

Table 4 revealed that 25 (13.3%) of the respondents were less than 25 years old, 77 (41%) of the respondents are within the age bracket of between 25–35 years, 78 (41.5%) of the respondents are within the age bracket of between 36–45 years which constituted the majority of the respondents. Respondents between the age bracket of 46–55 years account for only 4.3%. It can be concluded that majority of the customers that patronise fast food outlets are at their youthful age.

Table 5

Educational qualification of respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Primary School	1	0.5	0.5	0.5
SSCE	34	18.1	18.1	18.6
ND/NCE	52	27.7	27.7	46.3
HND/B.Sc	62	33.0	33.0	79.3
Postgraduate	39	20.7	20.7	100.0
Total	188	100.0	100.0	

Table 5 shows that only one respondent had primary school education which represents 0.5% of the respondents. 34 (18.1%) of the respondents had secondary school certificate holders, 52 (27.7%) of the respondents had National Diploma/National Certificate of Education holders. 62 (33%) of the respondents which is the largest group were the holders of Bachelor Degree / Higher National Diploma and 39 (20.7%) of the respondents had Postgraduate Degree qualification. This shows that the questionnaire was filled by individuals which can be considered to be educated.

Table 6

Income Level of Respondents

Category (₦)	Frequency	Percent	Valid Percent	Cumulative Percent
10,000 & below	49	26.1	26.1	26.1
10,001–50,000	65	34.6	34.6	60.6
50,001–100,000	46	24.5	24.5	85.1
100,001–200,000	18	9.6	9.6	94.7
200,001 & above	10	5.3	5.3	100.0
Total	188	100.0	100.0	

Table 6 shows that 49 (26.1%) of the respondents earned between ₦ 10,000 and below per month, 65 (34.6%) of the respondents earned between ₦ 10,001 and ₦ 50,000 per month, 46 (24.5%) of the respondents earned between ₦ 50,001 and ₦ 100,000 monthly, 18 (9.6%) of the respondents earned between ₦ 100,001 and ₦ 2000,000 monthly and 10 (5.3%) of the respondents earned above ₦ 200,001.

Customer Patronage Variables in Fast Food Outlets

The variables described in this section are customer patronage, service quality, brand image and price. The variables were measured on 5-point Likert scale of 5, 4, 3, 2, 1 for Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree respectively. The items involved are: Item 6 to 26 in the questionnaire. The mean score was calculated by multiplying the frequency of each point by the weight and divided by the total number of respondents. The results are presented in the Tables 7 to 10.

Table 7

Customer Patronage

S/N	Statement	MEAN	SD
6	I regularly patronise this fast food outlet	4.277	0.864
7	I intend to use this fast food outlet again	4.101	0.934
8	I usually use this fast food outlet as my first choice	4.053	1.068
9	I am satisfied with the patronise to this fast food outlet	4.176	0.911
10	I would recommend this fast food outlet to others	4.213	0.819
11	I will not switch to another fast food outlet the next time	4.245	0.836
Overall mean and standard deviation		4.177	0.905

Table 7 shows that majority of the respondents that fill the questionnaire agreed with all the items used in measuring customer patronage as the mean scores are above 3 point. The overall mean of 4.177 shows that the level of customer patronage among fast food outlets in Benin City is high.

Table 8

Service Quality

S/N	Statement	MEAN	SD
12	The fast food physical facilities are visually appealing	4.037	1.026
13	The fast food employees are neat in appearance	4.202	0.841
14	When you have a problem, the fast food shows a sincere interest in resolving it	4.160	0.905
15	Employees of the fast food give prompt service	3.878	1.114
16	Employees of the fast food are always willing to assist customers	4.149	0.895
17	The fast food has operating hours convenient to all its customers	4.149	0.846
18	The food quality of the fast food is good	4.186	0.915
19	Serving ordered food accurately	3.963	1.139
	Overall mean and standard deviation	4.090	0.960

Table 8 shows that majority of the respondents that fill the questionnaire agreed with the items used in measuring service quality of the selected fast food outlets as the mean scores are above 3 point. The overall mean of 4.090 shows that the level of service quality among fast food outlets in Benin City is moderately high.

Table 9

Brand Image

S/N	Statement	MEAN	SD
20	The fast food outfit is reputable	4.080	0.865
21	The fast food name and image attract me to purchase	4.202	0.960
22	The fast food outlet's image reflects my own personality	4.106	0.970
	Overall mean and standard deviation	4.129	0.931

Table 9 shows that majority of the respondents that fill the questionnaire agreed with the items used in measuring the brand image of the selected fast food outlets as the mean scores are above 3 point. The overall mean of 4.129 shows that the perceived brand image of the selected fast food outlets in Benin City is high.

Table 10

Price

S/N	Statement	MEAN	SD
23	Increases of price will not hinder me	4.197	0.883
24	The fast food outlet provides good value for money	2.452	1.180
25	Last purchase price affect brand patronage	2.707	1.208
26	The value for money of a favourite food influences patronage	2.601	1.204
	Overall mean and standard deviation	2.989	1.119

Table 10 shows that majority of the respondents agreed that increase of price will not hinder them. The reason for this may be because of the quality of services

or food rendered by fast food. Some customers are ready to pay more to get quality service or food. The mean score for the statement is 4.197 which are higher than 3 point. However, Table 10 also shows that majority of the respondents that fill the questionnaire disagreed with the following items used in measuring the price: The fast food outlet provides good value for money ($\bar{X}$ = 2.452; SD = 1.180); Last purchase price affect brand patronage ($\bar{X}$ = 2.707; SD = 1.208); and the value for money of a favourite food influences patronage ($\bar{X}$ = 2.601; SD = 1.204). The overall mean of 2.989 shows that there is low perception on the price paid for services or foods in the selected fast food outlets in Benin City.

Relationship among customer patronage, service quality, brand image and price

The independent variables in this study include service quality, brand image and price while the dependent variable is customer patronage. In order to estimate the model specified, multiple regression was used. The results are shown below:

Table 11

Multiple regression for variables

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.058	0.193	5.490	0.000
Service quality	0.496	0.049	10.073	0.000
Brand image	0.301	0.050	6.001	0.000
Price	-0.061	0.033	-1.851	0.066
R-squared				0.748
Adjusted R-squared				0.744
F-statistic				182.137
Prob(F-statistic)				0.000
Durbin-Watson stat				2.177

The above regression results shows the relationships between customer patronage and factors influencing it namely: service quality, brand image and price. The coefficient of determination (R^2) value of 0.748 shows the extent to which the independent variables (service quality, brand image and price) explained the dependent variable which is customer patronage. The value of the Adjusted R^2 of 0.744 shows that the independent variables (service quality, brand image and price), jointly explain 74.4% of the variation in the dependent variable – customer patronage. The result also reveals that service quality and brand image have positive and statistically significant relationship with customer patronage at $\rho < 0.05$. However, price is not statistically significant because p value is greater than 5% ($\rho = 0.066$). The F-statistic of 182.137 is significant at $\rho < 0.05$. This implies that there is a statistically significant relationship between customer patronage and the independent variables (service quality, brand image and price) as a group. The Durbin-Watson statistic of 2.177 reveals the absence of first order serial correlation.

HYPOTHESES TESTING

The results in Table 11 is used to test the various hypotheses stated for this study. The hypotheses are stated in null form.

Hypothesis One: Quality of service render by fast food outlets does not significantly affect customer patronage.

The results (β = 0.496, t = 10.073; p = 0.000) in Table 11 show that there is a positive and significant relationship between service quality and customer patronage. Based on the result, we reject the null hypothesis. We therefore conclude that quality of service render by fast food outlets does significantly affect customer patronage.

Hypothesis Two: There is no significant relationship between brand image and customer patronage of fast food outlets.

The results (β = 0.301, t = 6.001; p = 0.000) in Table 12 show that there is a positive and significant relationship between brand image and customer patronage. Based on the result, we reject the null hypothesis. We therefore conclude that there is a significant relationship between brand image and customer patronage of fast food outlets.

Hypothesis Three: There is no significant relationship between customer value (price) and customer patronage of fast food outlets.

The results (β = -0.061, t = -1.851; p = 0.066) in Table 12 show that there is a negative and non-significant relationship between price and customer patronage. Based on the result, we do not reject the null hypothesis. It is therefore concluded that there is no significant relationship between customer value (price) and customer patronage of fast food outlets.

Discussion of Findings

Firstly, the result in Table 9 shows that majority of the respondents that filled the questionnaire agreed with the items used in measuring service quality of the selected fast food outlets as the mean scores are above 3 point. The overall mean of 4.090 shows that the level of service quality among fast food outlets in Benin City is moderately high. It is advisable that fast food outlets should consistently maintain high quality of service which can guarantee continuous patronage from target customers. This study found that the quality of service render by fast food outlet does positively and significantly affect customer patronage. The work of Adeleke and Aminu (2012) who found that service quality has a significant relationship with customer satisfaction and loyalty supported

this finding. In similar vein, the studies of Payne and Holt (2001), Ball *et al.,* (2004) and Aydin and Ozer, (2005) on the relationship between service quality and the worth placed on customers lend credence to this finding.

Secondly, the result in Table 10 shows that majority of the respondents that fill the questionnaire agreed with the items used in measuring the brand image of the selected fast food outlets as the mean scores are above 3 point. The overall mean of 4.129 shows that the perceived brand image of the selected fast food outlets in Benin City is high. This means that good brand image can promote customer patronage. The study reveals that brand image has significant relationship with customer patronage in the fast food outlet in Benin City. It is believed that image of a brand play a critical role in the patronage that the brand will attract. A positive brand image may lead to customer patronage and retention thereby improving market share and profitability. Furthermore, Chun and Davies (2006) argued that establishing positive brand image is a key success factor in customer patronage. Conclusively, brand image is very critical to any organisation in the long run and is a key determinant of customer patronage in fast food sector.

Finally, the result in Table 11 shows that majority of the respondents agreed that increase of price will not hinder them. The reason for this may be because of the quality of services or food rendered by fast food. Some customers are ready to pay more to get quality service or food. The mean score for the statement is 4.197 which is higher than 3 point. However, the overall mean of 2.989 shows that there is low perception on the price paid for services or foods in the selected fast food outlets in Benin City. From the regression results, it was found that price does not significantly influence customer patronage. Also the relationship between them is negative implying that the higher the price, the lower the patronage level, all things being equal. This finding contradict outcomes of the work of Varki and Colgate (2001) who found that significant relationship exist between price and the worth place on customers.

CONCLUSION AND RECOMMENDATIONS

The main objective of this study was to examine the factors determining customer patronage of fast food outlets in Benin City. The study specifically determined whether the quality of service render by fast food outlet significantly affect customer patronage, ascertained the influence of brand image on customer patronage of fast food outlets and examined the relationship between customer value (price) and customer patronage of fast food outlets.

Survey research design was adopted for this study. In this study, customer patronage is the dependent variable while the independent variables include service quality, brand image and price. The population includes all customers that patronise fast food outlets in Benin City, Edo State. Fifty (50) respondents each were chosen in four fast food outlets namely: Mr. Biggs, Mat Ice, Kada Food and Omega Food to have a sample size of two hundred (200) out of which 188 questionnaires were found useable, amounting to 94%. The questionnaires were

distributed using convenience sampling technique to the customers of the selected fast food outlets. Both descriptive and inferential statistics were used in analysing the data obtained. The descriptive statistics used include frequency distribution, mean and standard deviation. Multiple regressions were used as an inferential statistics to test the research hypotheses. All hypotheses were tested at 5% level of significance. Statistical Package for Social Science (SPSS 22.0) software was used for all the analyses. The study found that the quality of service render by fast food outlet does positively and significantly affect customer patronage and that there is positive and significant relationship between brand image and customer patronage of fast food outlets. Based on the empirical and theoretical finding of this study, the following recommendations were made:

1. Fast food outlets should sustain and improve on the factors that have been found to be statistically significant. These factors are service quality and brand image. Improving on the quality of service rendered and the brand image by fast food outlets will make them to be attractive to both present and potential customers.

2. Though price can serve as a symbol of prestige, to increase market share and have wider coverage, it is suggested that affordable prices should be set for their menus.

3. Finally, it is suggested that future studies increase the number of fast food outlets and possibly the sample size that will be taken from each. It is also suggested that more variables should be included in future studies.

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PATTERN OF STUDENTS' ENROLMENT AND GRADUATION RATES IN AL-HIKMAH UNIVERSITY, NIGERIA: IMPLICATIONS FOR MANAGEMENT

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Abstract

Enrolment and graduation rates are regarded as important indices that can be used to measure the growth and development of higher institutions, be it private or public. It is on this premise that this study assessed the students' enrolment and graduation rates in Al-Hikmah University and its implication for the management. Two research questions were raised to guide the study. In order to provide answers to the research questions, secondary data were collected that consists of number of students' enrolment from 2006–2019. Also, number of students that graduated were obtained from 2009–2019. Data collected were analysed using descriptive method. Findings of the study revealed high students' enrolment from 2006 to 2020. Specifically, the highest enrolment in the university was in 2019 where it had 2793 at undergraduate level while 288 students were admitted in the year 2020 at postgraduate level. On graduation rate, findings showed that in the 2015/2016, 874 students graduated from the university, been the highest number of graduands ever recorded at undergraduate level while 64 postgraduate students were graduated in the year 2017/2018 session, been the highest number since the inception of the university. Based on the foregoing, the study concludes that enrolment and graduation rates are key determinants of school success. The study recommends

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that there is need for recruitment of agents to assist the university in sourcing for students that are yearning for admission. The agents to be recruited must be remunerated based on number of students they bring to the university; this will increase their recruitment drive. Lastly, there is need for downward review of the school fees so as to increase the enrolment of students.

INTRODUCTION

Education is an essential instrument in the society which aids individual development and the nation as a whole, thus calls for the involvement of public and private sectors as a result of the substantial resources required for its effective delivery and acquisition. This germane sector was placed under concurrent legislative in the post independent Nigerian constitution and virtually left to the then regional government, while the Federal Government enacted laws on policy matters. Actualisation of qualitative education hinges on adequate provision of educational facilities such as effectively equipped library, good conducive classroom environment and a well-structured building which consequently enhance the enrolment and graduation rates of students. This calls for optimal utilisation of vast resources within the framework of the set educational objectives (Harry, 2019; Ihugba, Ukwunna & Sandralyn, 2019; Omodero & Nwangwa, 2020). Education as an input, process and output system, required a watchful analysis with a view to take decisions that have implications on future education development. Education as an open system encompasses flow of resources into, within and outside the system, thus educational planners need vital information for effective and efficient plan of the future growth of the national, state and local government levels. It is becoming increasingly obvious in higher institution in Nigeria that their future survival as an educational entity depends to a large extent on the efficient management of available resources (Ayodele, 2016; Olaniyonu, 2016; Oyesola, 2000).

Clark (2013) emphasised that the number of students at the tertiary level has grown from 15,000 in 1970 to over 1.2 million today. As a result of enormous surge in demand, hundreds of thousands of aspiring tertiary students are annually missing out on places due to inadequate spaces to meet the demand. In 2013, 1.7million students registered for Nigeria's centralised tertiary admission examinations conducted by Joint Admission and Matriculation Board JAMB, all competing for the half million places available; potentially leaving over a million qualified college-age Nigerians without a post-secondary place. Rukayat (2019) opined that the rising number of students who enrol for admission into tertiary institutions yearly is worrying, as revealed through the number of students sitting for the year 2019 entrance examination into tertiary institutions which could only accommodated one-third of the applicants, the remaining candidates, who may even pass the admission cut-off mark, may never get admitted. Universities in Nigeria account for 5.31 percent of the total enrolment in Nigerian universities

which is unhealthy and the need for more access either by creating more universities or expanding the existing ones. The country population close to 200 million, while the enrolment into universities slightly less than two million which translate to roughly 1 percent of the population. It is evident that Nigerian government has not been able to meet the huge demand of education despite the proliferation of private universities.

The issue of students' enrolment and graduation in university education especially the privately owned institutions of higher learning has raised deep concern among scholars, universities administrators and planners, as well as relevant stakeholders in educational industry in Nigeria. Different factors have been identified as capable of influencing graduation and enrolment of students in the Nigerian Universities ranging from the school library, school building, unconducive classroom environment and the school laboratory (Ileuma, 2015). The fundamental focus of tertiary institution is optimal utilisation of limited available resources through effective and efficient running of the system, proper upkeep of the structural units and facilities, functional school building and effective conveyance of the school's curriculum which positively enhance students 'enrolment and graduation (Ogbodo & Onyene, 2015). It is increasingly becoming understandable in institutions of higher learning in Nigeria that their future survival as educational entity depend to a great degree on the efficient management of available educational resources like: building, classrooms and office infrastructures, equipment, library, hostel, blackboard and school records. Its material conditions should be conductive for all – round development of the student – physical, emotional, social, cultural and moral (Stickhard & Mayberry, 2016).

Pleasant school setting creates an optimal setting high enrolment. The school is a stabilising force for young people, both emotionally and academically particularly when they are experiencing transition or crises (Robert Blum, 2005). Educational facilities such as school plant have been repeatedly found to have positive relationship with standard and quality of educational system (Nwagwu, 2014: Adesina, 2016 & Ojedele, 2018). The school enrolments are rapidly expanding in the state where equipment and facilities are demanding to supply in adequate quantities. There is paucity of fund to procure new paraphernalia and facilities despite the fact that some of the existing ones have become overreached and obsolescent. Previous related study had revealed clearly that Nigerian School Managers do not usually take the issue of Educational facilities maintenance seriously. The managerial arrangement typical of the educational system is grossly inadequate to deal with the new challenges in the educational system and this is creating educational crisis (Olutola, 2017).

Expansion and diversification of university education determined by the demand of an upwardly mobile population and the needs of a globalised economy are important factors underlying the rising demand for university education in Nigeria. The major contributing factors on the expansion policy include high population growth, expansion of basic and secondary education and the rising rate of students seeking admission into university education. Many abandoned and

uncompleted school plant projects apart from many school plants suffering neglects of maintenance in universities in Nigeria. The existing school plants are in pitiable condition of neglect wield negative influence on the public Universities in Nigeria. Therefore, there is need to call for planned and managed school plant in Nigerian universities in order to reduce the high cost of replacement that often result from total breakdown of School Plants due to improper management (Ademola, Ogundipe & Babatunde, 2014; Musa & Bichi, 2019; Oviawe, 2017).

Despite the apparently high percentage of the annual budget on education, recently the Federal Government releases over #3bn through TETFUND, the major constraints to Public universities enrolments are rapidly expanding, while educational facilities and equipment are in the state of paucity and inadequately being supply supplied in proportion (Adesina, 2014).

Furthermore, prior to the advent of the private university in Nigeria in the year 1999, enrolment into tertiary institutions had been on the increase but what is rather disheartening in spite of the Private universities rising rate is the fact that the chances of getting admission into the quality institutions is decreasing by the day. There are many factors influencing prospective candidates, who are thirsting for quality tertiary institutions. The factors range from limited number of quality tertiary institutions, limited teaching facilities, inadequate spaces to handle proportionally with the increasing population of potential students and above all, restricted number of good mentors in the owners of the institutions. In 1999, the development that seemed like a ray of hope for admission seekers occurred when private Universities began to spring up nationwide almost on annual basis. This development to some extent cushions the effect of the acute scarce admission into tertiary institution among the seekers but not totally (Dada, 2017; Ileuma, 2015). Based on the foregoing, therefore, the current study assesses the enrolment and graduation rate of undergraduates and post graduate students of Al-Hikmah University, Nigeria with its implication for management.

LITERATURE REVIEW

Extensive studies have been conducted on students' enrolment and graduation in educational industry focusing mainly in public institutions. For instance, Ileuma (2015) conducted study on managing educational facilities and students' enrolment in Nigerian Universities in South-west Nigeria. The Study adopted a survey research design of ex-post facto type. The Population of the study comprised 300 participants in which about 50% of the target population that were sampled. Multi-stage sampling technique was used to get the sample size in South – western Nigeria. A Standardised research instrument titled "Managing Educational Facilities and Students Enrolment Questionnaire" (MEFSEQ) was used to collect relevant date for the study. The content, construct and face validity of the instruments were ascertained by two experts in the field of educational management and foundation and one

specialist in educational measurement and evaluation, while its reliability co-efficient was established using the test-retest method and the reliability coefficient of 0.84 was obtained which affirmed that the instrument was reliable. Inferential Statistics of Multiple Regression and Pearson Product Moment Correlation Coefficient were used to analyses the hypotheses tested at 0.05 level of Significance. The result revealed that classroom environment is a major determinant of students' enrolment. There was a strong positive significant relationship between the school building and student's enrolment. It was recommended among other that parents should pay adequate attention to their ward's education while the necessary educational facilities should be provided by the school authorities, government as well as the stakeholders to aid students' enrolment, as well as learning activities.

Ademola, Babatunde and Ogundipe (2014) investigated students' enrolment into tertiary institutions in Nigeria: The influence of the proprietors' reputation: A Case Study. The data gathered from the survey was analysed using simple-percentage and demographics such that elements of quantitative analysis was used and the content analysis of the qualitative data was likewise done. The findings of the study showed that increased students' enrolment has a lot to do with reputation of the proprietors, ability and experience of the founder and the facilities they have created including of the founder/proprietor. Thus, increased students' enrolment has a lot to do with reputation, ability and experience of the founder and the facilities they have created including of the founder/proprietor. The key success indicator for measuring learning achievements in any university viz: infrastructure excellence, superb curriculum development and delivery, alignment with requisite government policy, adequate funding, staff/student relationship, quality of human resources revolves around the proprietor of the university whether government, individuals or religious organisations.

The findings of the study conducted by Fabunmi (2016) revealed that classroom conditions and environment positively influence students' enrolment in the Nigerian Universities. Adeogun (2015) conducted study on the nexus between students' enrolment and goal achievement in tertiary institutions in Nigeria. The study employed qualitative approach and the findings revealed that student's enrolment to a larger extent cannot be ignored as a vital determinant for the attainability of university goal. Also, Taiwo, Oyesola, & Adeogun (2016) examined the relationship between school building and students' enrolment in Private universities in south-west, Nigeria. The findings of the study show that the success of an educational rests on the availability of physical facilities especially the school building. Also, Onasanya and Adegbija (2017) in their study revealed that well sited school buildings with aesthetic conditions, playground, lavatory and facilities significantly enhance students' enrolment and graduation in higher educational institutions. Apart from not presenting a conducive environment for enrolment, they are dearth trap for children whose lives are put at risks in fact that have been cases where students lost their lives and some get seriously injured as a result of collapse of school buildings.

Fabunmi (2016) conducted comparative study between universities in developing countries and advanced countries and effects on students' enrolment. The study showed that good facilities appear to be an important preoccupation for students' enrolment, provided that other conditions are present that support a strong academic programme in the school. A growing body of research has linked students' enrolment and behaviours to the physical building conditions and overcrowding. Todd (2003) took a different approach in an Ohio study that it was found that the school population increased by 52.5% as majority of the students rated the library as "Most resourceful" quite helpful in getting better grades in projects and assignments. This suggests that students themselves endorse the idea that good school libraries have impact on enrolment.

The work of Enagbonma and Osagiede (2018) focused on a model for estimating the number of academic staff for in Nigerian universities and established that increase in the number of academic staff is necessary for the development of universities. Omitogun, Akanni, Longe and Balogun (2017) examined the relationship between government expenditure and education enrolment in Nigerian schools. The study found that high expenditure is a predictor of high enrolment in education system. The concluded that more fund should be allocated to education for the overall development. Oviawe (2017) assessed students' enrolment in technical education programmes in Nigeria and found that high enrolment is an indicator of students' involvement in technical education programmes.

RESEARCH QUESTIONS

1. What is the students' enrolment rate in Al-Hikmah University?
2. What is the students' graduation rate in Al-Hikmah University?

METHODOLOGY

In order to provide response to the two research questions generated for the study, secondary data were collected from the Registry Unit and Students' Affairs Unit of the university. Specifically, the data collected from Students' Affairs Unit was based on students' enrolment in the university since inception. In the same vein, data collected obtained from the Registry Unit of the University was based on student graduation. The coverage of the data collected is shown below:

Table 1

Data Collected on Students' Enrolment and Graduation Rate

S/N	Data Collected	Year Covered
1	Number of Undergraduate Students' Enrolment Rate	2006–2019
2	Number of Postgraduate Students' Enrolment Rate	2014–2020
3	Number of Undergraduate Students' Graduation Rate	2009–2018
4	Number of Postgraduate Graduations' Rate	2015–2019

Data collected were analysed using descriptive method to understand the flow of students' enrolment as well as graduation rates in Al-Hikmah University, Nigeria.

ANALYSIS

Research Question One: What is the students' enrolment rate in Al-Hikmah University?

Table 2

Table Showing the Number of Undergraduate Enrolments (2006–2019)

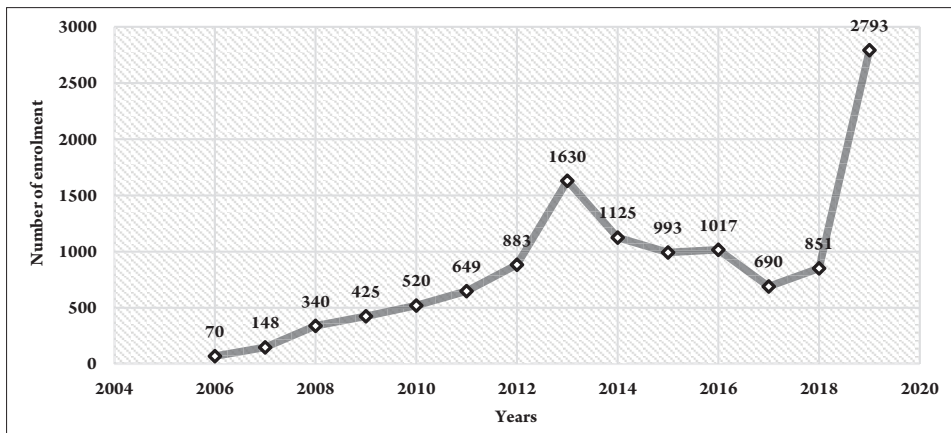| Year	Number of Enrolments	Percentage (%)
2006	70	0.57
2007	148	1.22
2008	340	2.80
2009	425	3.50
2010	520	4.29
2011	649	5.35
2012	883	7.28
2013	1630	13.43
2014	1125	9.27
2015	993	8.18
2016	1017	8.38
2017	690	5.69
2018	851	7.01
2019	2793	23.02
Total	**12134**	

Figure 1. **Line graph showing the trend of the number of undergraduate enrolments from 2006–2019**

The enrolment rate of the students to Al-Hikmah University from day one (2006–2019) is shown in the table and chart above. It can be seen that 70 students were enrolled into the University in the year 2006 while 148 students were registered in 2007. There was a drastic shift in the enrolment rate in the year 2008 where 340 students were admitted into the University for several courses while 425 students were as well enrolled in the year 2009. 520 students were admitted in the year 2010 while 649 students were enrolled for 2011 academic session. In the year 2012, 883 students were admitted into the University. A paradigm shift occurred in the year 2013 where 1,630 students were admitted into the University. Meanwhile, in the year 2014, there was a drop in the number of admitted students where 1,125 were enrolled and 993 of the students in the year 2015. 1017 students were enrolled in the year 2016. There was a drop in the year 2017 with 690 students admitted while 851 students were enrolled in the year 2018 and in 2019, the number of students enrolled rose drastically which account for 2793 students. Finally, it can be seen that the University had the least number of students enrolled in 2006 as a result of it being the year of her inception and has the highest number of students enrolled in 2019 and still counting.

Table 3

Table Showing the Number of Admitted Postgraduate Students (2014–2020)

Session	Number of Admitted Students	Percentage (%)
2014/2015	55	8
2015/2016	50	8
2016/2017	43	6
2017/2018	72	11
2018/2019	159	24
2019/2020	288	43
Total	**667**	**100**

The table above shows the number of admitted postgraduate students from 2014–2020. It can be seen that there are a total of 667 students for the 6 years. In 2014/2015, 55 students were admitted into the postgraduate school which accounts for 8%. Also, 50 students were enrolled in 2015/2016 and 43 students in the year 2016/2017 academic session which account for 8% and 6% respectively. For the 2017/2018 academic session, 72 students were admitted and this accounts for 11% while 159 (24%) students were also admitted in the 2018/2019 academic session and 288 (43%) students were admitted for the 2019/2020 academic session. Finally, 2016/2017 has the least number of admitted students as compared with other sessions with 2019/2020 having the highest number of admitted postgraduate students. The figure below indicates the trend in number of admitted postgraduate students:
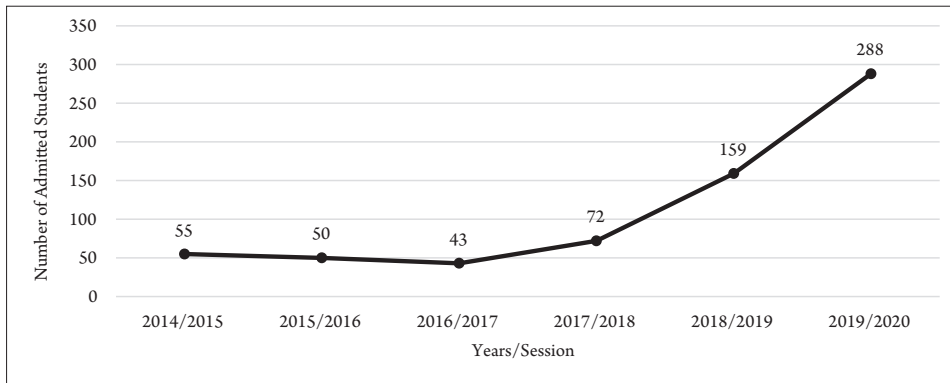
Figure 2. **Line graph showing the number of admitted postgraduate students (2014–2020)**

The above line graph shows the number of admitted postgraduate students for a period of 6 years (2014–2020). It can be seen that 55 students were admitted in 2014/2015 academic session and there was a decrease in 2015/2016 and 2016/2017 as 50 and 43 students were admitted respectively. In 2017/2018, there was an increase in the enrolment rate as a total of 72 students were admitted for that academic year. In 2018/2019, there was a drastic increase as the enrolment rose from 73 to 159 and also rose from 159 students in 2018/2019 to 288 students in 2019/2020 and still counting. So far, 2019/2020 has the highest number of admitted postgraduate students with 2016/2017 having the least.

Table 4

Table Showing the Number of Admitted Postgraduate Students by Programme

Programme	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
M.A Arabic	16	23	13	20	26	17
M.A Islamic Studies	39	27	30	30	35	35
M.A History	0	0	0	0	4	9
M.A English	0	0	0	0	7	15
M.Ed. Islamic Studies	0	0	0	0	6	11
M.Ed. Educational Management	0	0	0	0	19	19
M.Ed. Arabic	0	0	0	0	0	3
M.Ed. Guidance & Counselling	0	0	0	0	0	8
M.Sc. Business Administration	0	0	0	0	0	8
M.Sc. Economics	0	0	0	0	0	4
M.Sc. Accounting	0	0	0	0	0	6
M.Sc. Finance	0	0	0	0	0	1
M.Sc. Statistics	0	0	0	0	0	2
M.Sc. Geology	0	0	0	0	0	1

Programme	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
M.Sc. Biochemistry	0	0	0	0	0	4
M.Sc. Computer Science	0	0	0	0	0	7
M.Sc. Mass Communication	0	0	0	0	0	4
M.Phil/Ph.D. Arabic	0	0	0	0	3	1
M.Phil/Ph.D. Islamic Studies	0	0	0	0	7	6
M.Phil/Ph.D Educational Mgt	0	0	0	0	0	4
M.Phil/Ph.D Geology	0	0	0	0	0	2
PGDE	0	0	0	22	19	92
PGDE Educational Management	0	0	0	0	0	5
PGD Public Health	0	0	0	0	0	6
PGDE Strategic Management	0	0	0	0	0	2
Ph.D Arabic	0	0	0	0	17	8
Ph.D Islamic Studies	0	0	0	0	16	6
Ph.D Statistics	0	0	0	0	0	2
Total	**55**	**50**	**43**	**72**	**159**	**288**

The table above shows the number of admitted postgraduate students by the type of programme for the period of 2014–2020. It can be that in 2014/205, only two programmes was available to the 55 admitted students, that is, 16 and 39 students were admitted into Masters of Arts in Arabic and Islamic Studies respectively. Also, in 2015/2016 and 2016/2017 academic session, Masters of Arts in Arabic and Islamic Studies still remain the two programme available, and 50 (23 students for Arabic and 27 for Islamic Studies) and 43 (13 students for Arabic and 30 for Islamic Studies) students were admitted respectively. In 2017/2018, there was an inclusion of Postgraduate Diploma in Education (PGDE) to the two existing programmes and a total of 72 students were admitted with 20, 30 and 22 students for the programme of Masters of Art in Arabic, Islamic Studies and PGDE respectively.

For the 2018/2019 academic session, 8 other programmes were introduced and totalling 11 programmes available for that session. The 8 other programmes are M.Phil/PhD Arabic with 3 students, M.Phil/PhD Islamic Studies with 7 students, PhD Arabic with 17 students, PhD Islamic Studies with 16 students, Masters of Arts in History with 4 students, Masters of Arts in English with 7 students, Masters of Education in Islamic Studies with 6 students and Masters of Education in Educational Management with 19 students. There are 26, 35 and 19 students admitted for Masters of Arts in Arabic, Islamic Studies and PGDE respectively. Seventeen (17) other programmes were later introduced in 2019/2020 academic session which makes a total of 28 programmes in all. The seventeen (17) programmes are: Master of Science in Mass Communication with 4 students, Master of Science in Business Administration with 8 students, Master of Science in Economics with 4 students, Master of Science in Accounting with 6 students, Master of Science in Finance with 1 student, Master of Science

in Statistics with 2 students, Master of Science in Computer Science with 7 students, Master of Science in Geology with 1 student, Master of Science in Biochemistry with 4 students, M.Phil/PhD Geology with 2 students, Masters of Education in Guidance & Counselling with 8 students, M.Phil/PhD in Educational Management with 4 students, PhD Statistics with 2 students, PGDE in Educational Management with 5 students, PGDE in Strategic Management with 2 students, PGD in public Health with 6 students and Masters of Education in Arabic with 3 students. The 11 existing programmes; M.Phil/PhD Arabic with 1 student, M.Phil/PhD Islamic Studies with 6 students, PhD Arabic with 8 students, PhD Islamic Studies with 6 students, Masters of Arts in History with 9 students, Masters of Arts in English with 15 students, Masters of Education in Islamic Studies with 11 students and Masters of Education in Educational Management with 19 students. There are 17, 35 and 92 students admitted for Masters of Arts in Arabic, Islamic Studies and PGDE respectively.

Research Question Two: What is the students' graduation rate in Al-Hikmah University?

Table 5

Table Showing Undergraduate Graduation Rate from 2009–2018

| S/N	Year	Graduation Rate
1	2009/2010	107
2	2010/2011	363
3	2011/2012	455
4	2012/2013	502
5	2013/2014	659
6	2014/2015	817
7	2015/2016	874
8	2016/2017	827
9	2017/2018	798
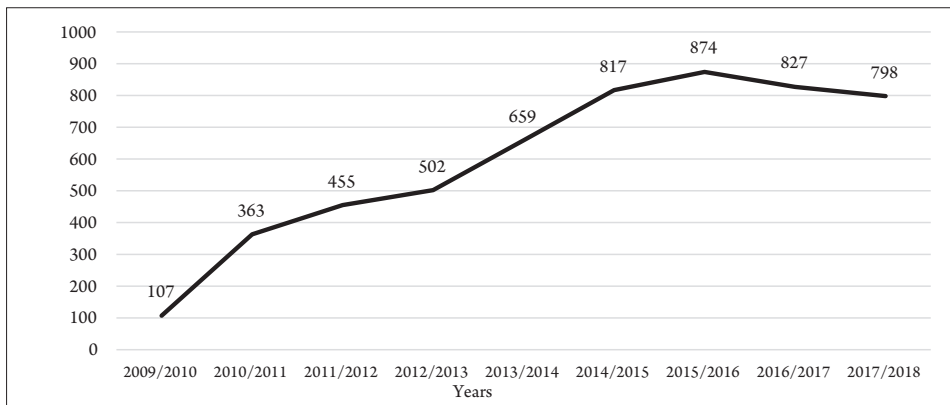
Figure 3. **Trend of Undergraduate Graduation Rate from 2009–2018**

The graduation rate of Al-Hikmah University from 2009/2010 to 2017/2018 academic session is shown in the graph above. It can be seen from the above chart that the University produced 107 graduating students in her first convocation ceremony in the year 2010. In 2010/2011, 363 students graduated while 455 students graduated in 2011/2012 academic session. It can also be seen that the graduation rate is increasing as 502 graduated in the following year and also 659 students graduated in 2013/2014 session. This increment improved drastically as 817 and 874 students graduated in 2014/2015 and 2015/2016 academic session respectively. In 2016/2017, there is a downward trend as the number of the graduating student reduced to 827 students as compared with the preceding year which produced 874 students; this continues till 2017/2018 which also produced 798 graduating students. On a final note, it can be seen that 2009/2010 produced the least number of graduating students with a value of 107 students while 2015/2016 has the highest number of graduating students with a value of 874 students.

Table 6

Table Showing the Number of Graduation Rate at Postgraduate Level

Session	Number of Graduating Students
2014/2015	54
2015/2016	50
2016/2017	43
2017/2018	64
2018/2019	19
Total	230
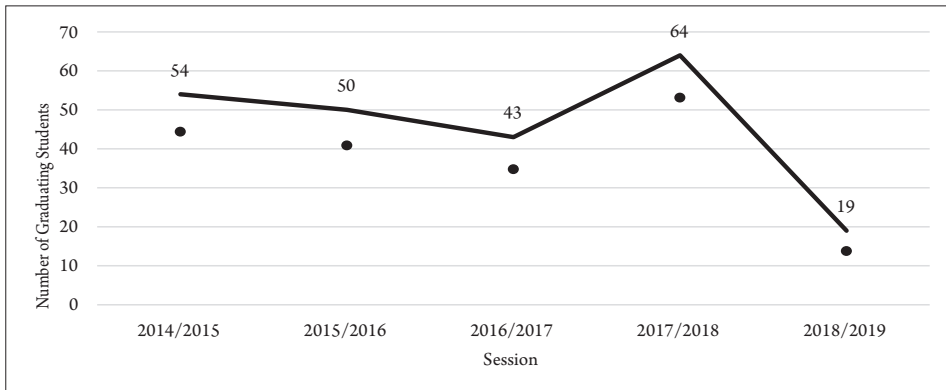
Figure 4. **Line Graph Showing the Number of Graduating Postgraduate Students (2014–2019)**

From the table and figure above, it can be seen from the above table that 54 students graduated in the 2014/2015 academic session, 50 and 43 students

graduated in the 2015/2016 and 2016/2017 academic session respectively. 64 and 19 students also graduated in the 2017/2018 and 2018/2019 academic session.

DISCUSSION

In line with the first research question of the study, which was based on students' enrolment rate in Al-Hikmah University, findings indicate that the university had the least number of undergraduate students enrolled in 2006 as a result of it being the year of her inception and has the highest number of students enrolled in 2019 and still counting. Specifically, the number enrolled in 2006 was 70 students while 2793 were enrolled in 2019. Findings also reveal that at postgraduate level, 2016/2017 has the least number of admitted students as compared with other sessions with 2019/2020 having the highest number of admitted postgraduate students. The current findings are in congruent with the study conducted by Onasanya and Adegbija (2017) who established that conducive learning environment increased students' enrolment in education system. Specifically, aesthetic conditions, playground, lavatory and facilities significantly enhanced students' enrolment. The current findings are synonymous with the study investigated by Taiwo, Oyesola and Adeogun (2016) which found that school building influenced student high enrolment in private universities in south-west, Nigeria and that the goal achievement education rests solely on the availability of physical facilities. Similarly, Todd's (2003) study found that availability of digital library contributed to students' high enrolment in higher institutions. The work of Fabunmi (2016) showed that good facilities appear to be an important preoccupation for students' enrolment, provided that other conditions are present that support a strong academic programme in the school. A growing body of research has linked students' enrolment and behaviours to the physical building conditions and overcrowding. Ademola, Babatunde and Ogundipe (2014) concluded that increase in students' enrolment is connected with the facilities provided in the school.

In line with the second research question of the study, which was based on students' graduation rate in Al-Hikmah University, findings reveal that 2009/2010 produced the least number of graduating students at undergraduate level with a value of 107 students while 2015/2016 has the highest number of graduating students with a value of 874 students. At postgraduate level, findings show that 54 students graduated in the year 2014/2015 academic session while 50 students graduated in 2015/2016 academic session. Though there was a decrease in 2016/2017 as 43 students graduated. In 2017/2018, there was slight increase as the number of graduands rose to 64 while in 2018/2019, the graduation rate decreased drastically to 19 students. The foregoing findings corroborates the study conducted by Adeogun (2015) established that students' graduation assessment cannot be ignored because it is a vital determinant

of school growth and development. The study investigated by Onasanya and Adegbija (2017) revealed that well sited school buildings with aesthetic conditions are key to high rate of graduation in higher educational institutions. Also, the current findings are in agreement with the work of Ileuma (2015) who concluded that availability of facilities increased both enrolment and graduation rate in higher institutions.

CONCLUSION AND RECOMMENDATIONS

It is a fact that enrolment and graduation rates are key important issues in education system. Based on the findings of the study, it can be concluded that there is need for Al-Hikmah University to build on the success recorded since the inception. The study recommends that:

1. To increase the students' enrolment, massive advertisement is needed. Specifically, there is need for constant advertisement on Television Stations, Radio Stations, Newspapers and other media outlets.
2. There is need for recruitment of agents to assist the university in sourcing for students that are yearning for admission. The agents to be recruited must be remunerated based on number of students they bring to the university; this will increase their recruitment drive.
3. The school fees need downward review so as to increase enrolment of students.
4. As it is been done in other private universities, there is need for contact offices to be established in Lagos State and Federal Capital City.
5. Additional facilities need to be put in place to increase the carrying capacity of the university.

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ACCEPTABILITY OF MICRO-INSURANCE SCHEME AMONG TEACHERS IN PUBLIC SECONDARY SCHOOLS IN LAGOS STATE, NIGERIA

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Abstract

Low income earning workers such as the teachers in the public secondary schools, are faced with varying categories of financial risk which cannot e alleviated without the help of some other social arrangement such as micro-insurance schemes. However, these scheme has not been well accepted among the teachers. The study however, looked at the reasons for the low acceptability. A stratified simple random sampling technique was used to collect data from a sample of 384 secondary school teachers in Lagos state, using regression analysis techniques. Adequate knowledge and well structured products designs of the micro-insurance products does not influence the acceptability of the products among the teachers. The study result however, shows that not making the products compulsory is the major factor that influence the acceptability among the teachers.

Keywords: micro-insurance, public secondary schools, low income earners, financial risk, adequate knowledge, product design

Jel code: D01, D12, D15, D40

INTRODUCTION

It is a common knowledge that workers both in the public and private sector spends their wages on critical needs such as rent, school fees, food, transportation, recharge cards and healthcare (moller, 2004). They are also predominantly expose to economic risk, natural risk, health risk, life cycle risks, policy based and institutional risks, social and political risk (Geneva, ILO-STEP). Various governments including Nigeria, historically have been able to introduce some forms of ad-hoc interventions programmes such as mortgage rent reduction, reduction in taxes, cancellation or postponement of loan payment and other form of direct subsidies (Townsend, 1994). Majority of these measures are privileges and not "right" in most developing countries including Nigeria (Sigma, 2005;

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UNDP 2003). Therefore, most low income workers cannot take these palliatives into consideration when making day to day economic decisions, insurance in the form of micro insurance takaful, health micro insurance and transportation insurance are therefore needed to fill in these gap between government and the less privileged low income earning workers such as teachers in the public secondary schools (Osoka, 1992).

SCOPE OF THE STUDY

The research was a cross sectional study that is based on the urban population in Nigeria, with the specific target population of the teachers from grade level 5–15 in the public secondary school. The choice was based on the assumption that the target population will have adequate knowledge of micro-insurance schemes. It was carried out in the Alimosho, Ajeromi Ifelodun and the Ikorodu local government areas of Lagos state.

Research Objectives

i. To ascertain risk facing the various grade level teachers in the public sector.
ii. To ascertain if there are adequate micro- insurance products coverage for the teachers in the public service.
iii. To ascertain the level of awareness regarding micro- insurance availability among the teachers in the public secondary schools.
iv. To ascertain what factors influences the acceptability of micro-insurance schemes amongst the teachers in the public secondary schools.

Research Questions

i. Are the micro-insurance products well designed to appeal to the low income earning teachers in the public sector?
ii. Will micro insurance help improve the living standard of the low income earning teachers in the public sector?
iii. Is there adequate knowledge of micro-insurance products amongst the teacher?

STATEMENT OF THE PROBLEM

In most developing countries including Nigeria, communities and households are faced with multiple risks, this includes workers both in the formal and informal sector. Adverse events of risk often have financial consequences on their level of income and consumption, for example illness and injury have evident cost for prevention, care and cure, and opportunity cost (loss of income while ill) (Castel, 2003). Households are often coerced to make choices such as depleting productive assets, reducing food intake, or withdrawing children from school,

which tends to jeopardise their economics and human developmental prospect, which leaves them stuck in poverty trap (Chatterjee & Ranson, 2006). Micro-insurance as a mechanism that is intended in providing coverage against financial consequences resulting from the uncertain events of risk (Reynaud, 2005). the scheme is built to cover some categories of people that are excluded from statutory social security, mostly in the formal and informal economy (Khahly et al., 2008).

Despite the aforementioned benefits of micro-insurance, the acceptability of the schemes amongst teachers in the public secondary school is considerably low. Therefore, in order to prevent workers and their household from being permanently exposed to the financial consequences of the aforementioned adverse risk. The study therefore formulated the following hypothesis:

Ho1 – lack of adequate knowledge amongst teachers in the public secondary schools is not the cause of their non- acceptability of micro-insurance schemes.

Ho2 – micro-insurance products not being well designed to appeal to the low income earning teachers in the public secondary school affects the acceptability of the scheme.

Ho3 – lack of statutory compulsion of micro-insurance schemes does not affect the acceptability amongst the teachers in the public secondary schools.

METHODOLOGY

This study used stratified and simple random sampling techniques. This technique was justified for use because it is based on scientific rules of probability and it also ensures adequate representation of the study group. Statistical formula from (Krejcie & Morgan 1970) was used to determine the size of 384 from the population of 3,500. A well-structured questionnaire was used to collect necessary data from the respondents. The data obtained were compiled and analysed using linear regression.

LITERATURE REVIEW

Models relevant to the study

In 2003 ICICI Lombard launched an ambitious scheme targeted at low-income farmers in Andbra Pradesh, India, which is sold through Basix and MFI. To date 200,000 low-income earning farmers in 130 locations have been covered. The scheme insures against deficit, excess and unseasonal rainfall, high relative humidity, excessively high and low temperatures, prolonged dry spell, as well as a combination of these risks.

In the late 1990s, Grameen Kalyan, in Bangladesh, launched micro health insurance scheme, which presently covers half a million people. Its premium is about two US dollars per year and it operates about 33 clinics in ten districts in

Bangladesh. Grameem kalyam plays both the roles of insurer and of direct service provider. It uses the strategy of servicing the community at large and of charging higher rates for the less poor.

Yasiru, in Sri Lanka, started off by insuring over 9,000 people. It offers a mixed bag of life accident and funeral insurance and its premium range is USD 1.20–18.00, per year, though it first started as an in-house insurance service in a federation of NGOs called ACCDC, today it has active partner with around 60,000 members.
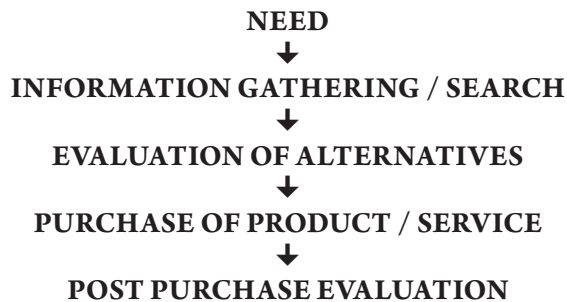
Theories relevant to the study

This section of the literature review summaries critical theories used to conceptualise the factors influencing the acceptability of micro-insurance schemes among the teachers in the public secondary schools. The theories include the Decision Making Theory and the Theory of Reasoned Action.

1. DECISION MAKING THEORY

The theory was propounded by Levi (1974). This theory encompasses a body of knowledge and related analytical technique of different degrees of helping a decision maker choose among a set of alternatives in light of their possible consequences. Mckinsey; (2009) argued that the decision making process of a consumer can be depicted in funnel shape. where consumers systematically narrow the initial-consideration set as they weigh options, make decisions, and buy products.

A consumer goes through several stages before purchasing a product or service:

NEED
↓
INFORMATION GATHERING / SEARCH
↓
EVALUATION OF ALTERNATIVES
↓
PURCHASE OF PRODUCT / SERVICE
↓
POST PURCHASE EVALUATION

Step 1 – Need is the most important factor which leads to buying of products and services. Need in fact is the catalyst which triggers the buying decision of individuals.

An individual who buys cold drink or a bottle of mineral water identifies his/her need as thirst. However, in such cases steps such as information search and evaluation of alternatives are generally missing. These two steps are important when an individual purchases expensive products / services such as laptop, cars, mobile phones and so on.

Step 2 – When an individual recognises his need for a particular product/service he tries to gather as much information as he can.

An individual can acquire information through any of the following sources:

- Personal Sources – He might discuss his need with his friends, family members, co-workers and other acquaintances.
- Commercial sources – Advertisements, sales people (in Tim's case it was the store manager), Packaging of a particular product in many cases prompt individuals to buy the same, Displays (Props, Mannequins etc.)
- Public sources – Newspaper, Radio, Magazine
- Experiential sources – Individual's own experience, prior handling of a particular product (Tim would definitely purchase a Dell laptop again if he had already used one)

Step 3 – The next step is to evaluate the various alternatives available in the market. An individual after gathering relevant information tries to choose the best option available as per his need, taste and pocket.

Step 4 – After going through all the above stages, customer finally purchases the product.

Step 5 – The purchase of the product is followed by post purchase evaluation. Post purchase evaluation refers to a customer's analysis whether the product was useful to him or not, whether the product fulfilled his need or not.
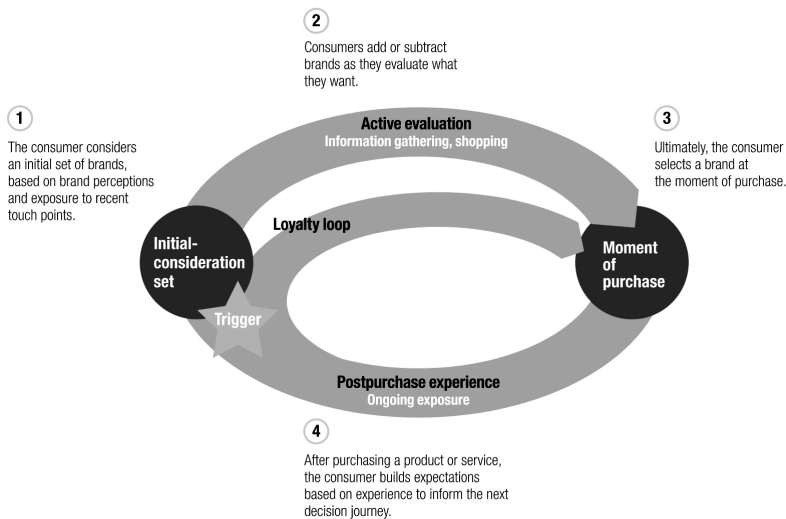

Figure 1. **The Modified Consumer Decision Making Process**
Source: McKinsey (2010)

2. THEORY OF REASONED ACTION

Nennaaton & Ezema (2016) stated that to understand better the pattern of customer patronage is through several theories. One of which is most significant

is the "Theory of Reasoned Action" (TAR), developed by Fisheim & Ajzem (1980). The theory asserts that "people have a high degree of volitional control and make reasoned choices among alternatives" (Ajzem & Fisheim, 1975). The theory explains that the functional intention is predicted to these two factors. The theory relates to the current research as it set the pace for customer patronage which affects sales performance as a result of social interaction and engagement. In essence, the main theories that underpin this research study includes Decision Making Theory and the Theory of Reasoned Action.

What is Micro-Insurance?

Micro-insurance scheme is an insurance that is basically developed for low income populations, they are built to cover people excluded from statutory social security, notably the workers in the Informal economy and their families. Micro-Insurance schemes are most often initiated and operated by organisations or civil society such as trade unions, NGOs, Micro- Finance Institutions (MFIs), Cooperatives, Community based organisations, Mutual Health Organisations (NAICOM ANNUAL REPORTS, 2013). In the Nigeria economy, the operation of micro-insurance business was legally recognised to be enforced from 1st January, 2014. In line with the national insurance commission (NAICOM) guidelines. 150.000,000, 200,000,000 and 350,000,000 are stipulated as the minimum capitalisation requirements for life, general and composite micro-insurance companies respectively. Micro-insurance scheme products are designed to be appropriate for the low income market in relation to cost, coverage, terms and delivery mechanism (Townsend, 1994).

Forms and Coverage of Micro-Insurance Products

Life Micro-Insurance Retirement Savings Plans

Brown, W.; Churchill, C. (2006) describe life micro-insurance retirement savings plan as a product that provides coverage against financial consequences upon the death of a bread winner or of old age. Life micro-insurance products are usually classified into two based on the period of compensation payment (Siegel, P. V.; Alwamg, J.; Camagarajih, S. R., 2001). Under the first category, the compensation is paid upon the death of the insured person (worker). Example includes term life micro-insurance and credit-life micro-insurance. The second category, pays compensation after a predetermined period (usually after a minimum period of 5 years) either on the death of the policy holder or while the insured person is still alive. Examples includes endowment and annuities.

Health Micro-Insurance (Hospitalisation, Primary Health Care, Maternity)

Ill-health and maternity usually comes along with financial consequences (Atim, Chrisiet et al., 1998). These financial consequences are usually covered

against under the health micro-insurance scheme. the financial consequences include; the direct medical costs for prevention, care and cure such as fees for consultations, laboratory tests, medicines, hospitalisation, delivery. The direct non -medical costs such as costs for transportation, food in case of hospitalisation as ill-health and maternity usually causes a loss of productive time for both patients and caretaker (Baeza, Cristia, et al., 2002).

Disability Micro-Insurance Scheme

Disability micro-insurance provides coverage against the financial consequences of invalidity, whether temporary or permanent (Dercom & Stetar, 2005). Disability is temporary when the physical loss is reversible and last for a limited period of time (Reynaud, 2005). The scheme covers variety of disability events that needs to be precisely defined in advance. The pre-defined financial compensation can be proportional to the severity of the disability. Disability micro-insurance is often appreciated by micro-insurance institutions in order to secure the reimbursement of the loans (Banerjee, Upala Devi, (2003a). It is called "credit disability micro-insurance" which covers the repayment of the outstanding balance of the loan in case of disability of the borrower (Brown W., Churchill, C. 1999/2000a).

Property Micro-Insurance (Assets, Livestock's and Housing)

Property micro-insurance provides coverage against the financial consequence of the damage or loss of personal assets, work premises and tools (Cohen, Monique, Seestad, Jennifer, 1999). The insured person is usually the owner of the assets and/or the tools. The financial compensation is assessed once the adverse event has occurred.

Savings and Emergency Credit Micro-Insurance Scheme

This program is provided to members of the Micro-Insurance schemes in order to give protection against risk which are not covered by micro-insurance scheme (Reynaud, 2005b). Savings and Emergency credit programs are particularly appropriate for minor risks that entails moderate expense and have a high probability of occurrence (Banerjee, Upala Devi, 2003b). It is also used to provide supplementary protection when adverse events resulting in financial consequence occurs (Brown W., Churchill C. 2000b)

RESULTS AND DISCUSSIONS

Hypothesis 1

Lack of adequate knowledge amongst teachers in the public secondary schools is not the cause of their non- acceptability of micro-insurance schemes.

Table 1

Regression analysis showing the influence of lack of adequate knowledge of teacher in the public secondary school towards the acceptability of micro-insurance schemes

Model	Unstandardised Coefficients		Standardised Coefficients		
	B	Std. Error	Beta	t	Sig
1 (constant)	3.844	1.411		2.725	.007
Adequate Knowledge	0.083	0.131	0.045	0.635	0.526
Multiple R -0.045, Multiple R² -0.002, Adjusted R² -0.003, F 1.196 – 0.403 $p > 0.05$					

Table 1 reveals that lack of adequate knowledge have little or no influence on the acceptability of micro-insurance schemes amongst the teachers in the public secondary schools. (F 1.196 -0.403. $p > 0.05$). the null hypothesis is not rejected. This implies that there is adequate knowledge of micro-insurance amongst the teachers in the public secondary schools, hence it does not influence the acceptability of micro-insurance among the teachers. The value of the coefficient determination (R^2 -0.002) indicates that all the predictor variable only accounted for less than 1% ($R^2 \times 100$) of the observed variance of the acceptability variance. The calculated F-ratio (0.403) is not significant at 0.05 level of significance. This implies that the predictor variable does not provide a significant explanation for the acceptability of micro-insurance schemes amongst the teachers.

Hypothesis 2

Micro-insurance products not being well designed to appeal to the low income earning teachers in the public secondary school does not affects the acceptability of the scheme.

Table 2

Regression analysis showing the influence of design of product of the acceptability of micro-insurance amongst the teachers in the public secondary school

Model	Unstandardised Coefficients		Standardised Coefficients		
	B	Std. Error	Beta	t	Sig
1 constant	2.239	0.519		4.316	.000
Products Designs	0.047	0.048	0.070	0.978	0.329
Multiple R -0.070, Multiple R² -0.005, Adjusted R² -0.000, F 1.196 –0.957 $p > 0.05$					

The results in Table 2 above, shows that micro-insurance product design have little or no influence on the acceptability of micro-insurance schemes among teachers in the public secondary schools (F 1.196 –0.957, $p > 0.05$). the null

hypothesis is not rejected. The table reveals that the relationship between the acceptability and the design of micro-insurance products is very low, negative and statistically insignificant at 0.05 level (β—0.070, $p > 0.05$). This implies that the design of micro-insurance products does not influence the acceptability of micro-insurance schemes amongst the teachers and vice versa. That is the acceptability of micro-insurance scheme is not influence by the design of the products. The value of the coefficient determination (R^2 -0.005) indicates that the predictor variable only explained less than 1% ($R^2 \times 100$) of the observed variance in the acceptability of micro-insurance amongst teachers in the public secondary schools in Lagos. The calculated F-ratio (0.957) is not significant at 0.05 level of significance. This implies that the predictor variable does not provide a significant explanation for the variation in the acceptability of micro-insurance products amongst the teachers in the public secondary schools.

Hypothesis 3

Lack of statutory compulsion of micro-insurance schemes does not affect the acceptability of Micro-Insurance Schemes amongst the teachers in the public secondary schools.

Table 3

Regression analysis showing the influence of compulsory statutory regulation on the acceptability of Micro-Insurance Schemes amongst the teachers in the public secondary school in Lagos.

Model	Unstandardised Coefficients		Standardised Coefficients		
	B	**Std. Error**	**Beta**	**t**	**Sig**
1 constant	17.970	0.928		19.371	0.000
Statutory Compulsory	0.268	0.123	0.127	2.172	0.300
Multiple R -0.537, Multiple R² -0.289, Adjusted R² -0.273, F 3.22918 –1.537 p > 0.05					

The results in Table 3 above, shows that lack of non-compulsion of micro-insurance schemes amongst the teachers in the public secondary schools have a significant influence on the acceptability of micro-insurance schemes among teachers in the public secondary schools (F 3.22918 –1.537, $p > 0.05$). the null hypothesis is therefore rejected. The table reveals that the relationship between the acceptability of micro-insurance schemes and the statutory compulsion is very high, positive and statistically significant at 0.05 level (β—0.268, $p > 0.05$). This implies that the lack of statutory compulsion of micro-insurance schemes have significant influence on the acceptability of micro-insurance schemes amongst the teachers and vice versa. That is the acceptability of micro-insurance scheme is influence by the statutory compulsion of the scheme. The value of the coefficient determination (R^2 -0.289) indicates that the predictor variable

explained more than 1% ($R^2 \times 100$) of the observed variance in the acceptability of micro-insurance amongst teachers in the public secondary schools in Lagos. The calculated F-ratio (3.22918) is significant at 0.05 level of significance. This implies that the predictor variable does provide a significant explanation for the variation in the acceptability of micro-insurance products amongst the teachers in the public secondary schools.

DISCUSSION OF FINDINGS

Adequacy of Knowledge

The result of the study shows that majority of the teachers in the public secondary school in Lagos state, have reasonable knowledge of Micro-Insurance scheme. (Allen & Santomero, 2001; Freixas & Rochet, 1997) opined that the search for information and options evaluation are essential ingredient needed in the purchasing decision making of a potential buyer of insurance services. However, from the study, it was observed that this does not have a positive and significant influence on the acceptability of the scheme amongst the teachers.

Design of Micro-Insurance Products

Micro-Insurance products designs not only look at which types of insurance products people prefers, but also how these preferences are shaped (Schellhorm 2001). The information collected from the study shows that micro-insurance products in the Nigeria insurance market are well designed to influence the acceptability and purchase of micro-insurance products among the teachers in the public secondary schools in Lagos. However, the study shows that products design does not influence the acceptability and purchase of the micro-insurance products.

Statutory compulsion

The acceptability of the occupational group life scheme among the employers of labour in Nigeria, according to Isimoya I. O. (2012) was mainly due to the statutory compulsion of the scheme. from the research study, teachers in the public secondary schools of Lagos state have low acceptability of micro-insurance schemes, basically due to lack of statutory compulsion by the government.

CONCLUSION AND COMMENTS

Adequacy of Knowledge

From the data collected for the study, 80% of the respondents have a good knowledge of micro-insurance schemes. This however, does not influence

the acceptability and purchase of the products among the teachers in the public secondary schools. Thus, having as low as 10% of the respondents having one form of micro-insurance products. The study therefore, concludes that knowledge of teachers of the public secondary schools in Lagos state, only cannot influence the acceptability of micro-insurance.

Design of Micro-Insurance Products

The research study also reveals that, 82% of the respondents agreed that the micro-insurance products in the market are very well designed to meet up with the financial consequences of the various risk the teachers are exposed to. This however, does not improve the acceptability and purchase of micro-insurance products among the teachers of the public secondary schools in Lagos as only about 10% of the respondents have the insurance product.

Statutory compulsion

78% of the respondent's belief that there will be high acceptability from the teachers if there is a form of compelling from the government. it was reveal from the study, that most of the teachers are finding it difficult to part with some little some of money from their meagre salary for the purchase of micro-insurance products.

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