

West African Social and Management Science Review (WASMSR): Volume 10, Number 1, June, 2025s in Nigeria

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CONTENTS

Editorial Board	-	-	-	-	-	-	-	-	-	iv
Policy of the West African Social and Management Science Review	-	-								vi
Contents	-	-	-	-	-	-	-	-	-	ix
Profile of Contributors	-	-	-	-	-	-	-	-	-	xi
Articles										
1. Macro-economic Determinants of Foreign Direct Investment in Nigeria (2010 - 2023)										
Josephine Chinelo Ene	-	-	-	-	-	-	-	-	-	1.
2. Public Perception of Highway Kidnapping and the Challenges of Travelers in Edo State										
Eseosa O. Enobakhare, Precious F. Fakiya, Talent Jebbi & Clementina Usiholo										12
3. Tax Planning Strategies and Firm Financial Performance: A Conceptual Review										
Irene, Ehimare, Jackson-Akhigbe, Beauty E., PhD, Abusomwan, Rachael E., PhD & Okungbowa, F.E., PhD	-	-	-							19
4. Usage Pattern of Social Networking Sites (SNS) by Married Couples in South-South Nigeria										
Ngozi. B. Okeibunor, PhD	-	-	-	-	-	-	-	-	-	34
5. Imperial Africa and the “Big Stick” Diplomatic Approach of Europe to the Partition and Acquisition of Territories										
Thaddeus T. Ityonzughul, PhD & Terungwa T. Tyav	-	-	-	-						44
6. Credit Risk Management and Financial Performance of Deposit Money Banks in Nigeria										
Kupoluyi Joshua Oluyemi	-	-	-	-	-	-	-	-	-	57
7. Corporate Governance and Firm Performance: Evidence from Consumer Goods Firms										
Isichei, Godswill, Jackson-Akhigbe, Beauty E., PhD & Abusomwan Rachael E., PhD	-	-	-	-	-	-	-	-	-	72

8. University of Benin Mass Communication Students' Perception of Journalism Practice in the Digital Age
Ngozi B. Okeibunor, PhD & Adedeji Fred Arijeniwa - - - - 85
9. Training as a Tool for Employee Productivity in Free Recycle Limited, Ibadan
Kamorudeen Abimbola Oyetola & Elizabeth Akorede Arowolo - - - 102.

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MACRO-ECONOMIC DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN NIGERIA (2010 - 2023)

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Abstract

Most countries in the world consistently deploy strategies to attract more foreign direct investment; hence identifying the key determinants of foreign direct investment is therefore seen as a crucial task for policy makers. The study examined the effect of selected macroeconomic variables on foreign direct investment (FDI) in Nigeria. The work employed quarterly data covering the period from 2010 to 2023. The results revealed by the granger causality test, Johansen cointegration test and vector error correction model indicated that macro-economic conditions were significant in determining the flow of foreign direct investment into Nigeria, Specifically, the results showed that gross domestic product, inflation rate, exchange rate stock exchange capitalisation and trade openness exerted significant influence in both the short run and in the long run, Trade openness, though insignificant in the short run, displayed a significant effect in the long run. Interest rate however showed an insignificant effect in both the short run and the long run. The research therefore recommended the adoption of transparent investment in infrastructural development to stimulate economic growth and implementation of policies that eliminate price distortions within the economy.

Keywords: Macroeconomic variables, foreign direct investment, Granger causality test, Johansen cointegration test, Vector error correction model

Introduction

The potential of foreign capital to fill the savings-investment gap and stimulate economic growth in most resource deficient countries has made it a significant source of capital to developing economies. Foreign capital, according to Adegboye et al. (2020), augments domestic supply of funds for investment and diminishes the mismatch between domestic capital stock and capital requirements in most developing countries. Therefore, capital inflow represents additional resources a country needs to improve its economic performance and provide employment opportunities. Still emphasising on the import of foreign capital flows, Nguyen (2023) observed that foreign capital flows reduced inefficient output fluctuations and global disequilibrium by reallocation of demand and expenditure while Ha et al. (2019) revealed that these flows prevent inflation volatility by moderating domestic demand swings that could have produced inflationary or disinflationary pressures. These studies establish the overt economic relevance of foreign capital in global productivity, generation of employment, technology spillovers and economic growth especially for the developing countries. More so, foreign capital flows substantially provide needed fund required to bridge the gap between savings and capital needs in most African countries hence there is consistent marketing for the limited foreign capital flow. To create competitive advantage and attract a substantial level of FDI, emerging countries have strived to understand the combination of macro and micro factors that attract and sustain capital importation. Concurring with the importance of studying such

factors, Dorakh (2020) described FDI as a complex phenomenon that cannot be explained by a single universal theoretical model. This complexity is further heightened by the variability in its determinants across countries, regions and over time. Accordingly, identifying the key determinants of foreign direct investment remains a recurring need and has consistently engendered and sustained academic research and discourse.

In light of these, our paper considered the extent that Exchange rate, Gross domestic product, inflation, interest rate, stock market capitalisation and trade openness determine FDI in Nigeria, an emerging economy.

These macroeconomic factors were selected because of their theoretical relevance to foreign direct investment as postulated by the Eclectic FDI theory and corroborated by existing literature (Imran, et al., 2024; Islam & Beloucif, 2024). Furthermore, the inclusion of trade openness was based on the supposition that the liberalization of equity markets in emerging economies have a potential to cause volatility of foreign inflow (Bommadevara & Padyala, 2023).

LITERATURE REVIEW

Conceptual Review

The major components of foreign capital as identified by Avdjiev et al. (2018) include foreign direct investment (FDI), foreign portfolio investment (FPI), and other investment. While FPI occurs when investors purchase non-controlling interests in foreign companies or buy foreign corporate or government bonds, short term securities or notes, FDI concerns investments made by a company or individual from one country into business interests in another country, in order to establish either effective control of, or at least substantial influence over, the decision making of the concerned foreign business (Ausloos, et al, 2019). FDI refers to the inflows of investment to acquire a lasting management interest or effective control (10% or more voting power) over an enterprise operating in an economy other than that of the investor (Nxumalo & Makoni, 2021). FDI had been adjudged to be a less speculative fund when compared with foreign portfolio investment as it is not prone to immediate withdrawal in response to changes in economic emergency hence it helps to stabilize the economic growth of the country resulting to a robust and stable economy. Furthermore, FDI leads to the accumulation of tangible as well as intangible assets through transfer of production technology and management expertise, and entry to trade networks that contribute immensely to improvement of domestic economy productivity.

Empirical Review

The work by Brafu-Insaidoo and Biekpe (2014) on some selected Sub-Saharan African countries revealed the effect of financial liberalization varied with other forms of liberalization. Contrary to the insignificant effect of Aggregate capital account liberalization, Liberalization of domestic financial system and the domestic equity market had a positive effect on FDI. More elaborately, Sane (2016) used panel data analysis to examine Economic Community of West African States (ECOWAS) over the period 1985 to 2015. Sane identified stabilization of the macroeconomic environment, government consumption expenditures, domestic credit to the private sector, interest rate, gross fixed capital formation, exchange rate, economic freedom index, natural resources and market size as determinant of FDI within the region.

In an attempt to explain the direct investment flows between China and a group of South-East Asian countries (Taiwan, Singapore, Korea and Malaysia), Mele and Quarto (2017) examined the effect of GDP of home and host economy, distance between them, Political risk,

cultural proximity, the degree of openness to international trade and a proxy for natural resources using the multivariate-regression. The result showed that all the variables had significant effect on FDI. However, though others had a positive effect, the relationship between distance and FDI was negative. Using panel analysis, Asongu et al. (2018) also examined the factors that determine the direction of FDI to the fast-growing BRICS (Brazil, Russia, India, China, and South Africa) and MINT (Mexico, Indonesia, Nigeria, and Turkey) countries. The pooled time-series cross sectional analysis and a fixed effects approach of the study period (2001 to 2011) demonstrated that market size, infrastructure availability, and trade openness play the most significant roles in attracting FDI to BRICS and MINT. In a related study, Karau and Nganga (2019) investigated the interaction between macroeconomic factors and foreign direct investment in Kenya. The study found interest rates and balance of payments had a positive influence on FDI. Conversely exchange rate, inflation and tax rate had negative impact. The study analysed data of 1970 to 2010 using multiple linear regression analysis. In Nigeria, examining the period from 2006 to 2018, Benson et al. (2019) observed a positive relationship between Exchange Rate and FDI, while the effect of interest rate and inflation rate was negative. However, while inflation rate was significant, interest rate was insignificant. Johansen Co-integration test statistics and the error correction model were utilised to reveal the findings.

Further revealing variability in the impact of factors across economies, in Southeast Asia, Kubo (2019) found that exchange rate movements and new FDI was positive and statistically significant in Indonesia and Thailand. This interaction was however insignificant in Malaysia and the Philippines economies. The study examined the period 2008 to 2015 employing industry-specific fixed effect panel regression. Saleem et al. (2021) explored the relevance of size of the market, macroeconomic stability and real exchange rate as determinants of private foreign direct investment in Pakistan. The ARDL, bound test and ECM applied on annual time-series data (1980 to 2016) showed the existence of long-run relationship between GDP, trade openness and FDI. However, inflation and real exchange rate have adverse effect in Pakistan. Nxumalo and Makoni (2021) examined the impact of institutional quality on FDI and foreign portfolio investment (FPI) in 12 emerging market economies using annual data spanning the period 2007 to 2017. The results from the analysis using generalised method of moments (GMM) model indicated that stock market development, institutional quality, Capital account openness and economic growth had favorable impact on FDI and FPI. However, stock market development stood out as the key determinant factor for foreign capital inflows. The study had constructed a composite index for institutional quality using the Principal Components Analysis method. Still on Southeast Asian Nations, Pan et al. (2022) identified large market size, high economic freedom, geographical proximity, control of corruption in host countries and larger value of bilateral trade as significant determinants of FDI to Taiwanese banks. The panel data analysis from 2000 to 2019 also revealed that interest rate spread had relatively insignificant effect.

Anochie (2022) examined the association between selected macroeconomic variables and foreign direct investment inflow in Nigeria between 1986 and 2020. The ARDL technique employed indicated the existence of a long run relationship and it also revealed that inflation and exchange rate were the major macroeconomic variables that significantly reduced FDI inflow in Nigeria while GDP growth rate and monetary policy rate were positive and significant. Utilising non-traditional variables and a balanced panel data of per capita FDI flows for the period 1998-2013 for ten major FDI recipients in Africa, Atobatele (2023) found that market size, the availability of natural resources, the degree of trade openness, agglomeration of foreign investors and political freedom have significant positive effects on Net FDI flows to Africa. Corruption perception index, however, had an adverse effect on Net FDI. The study aptly used the system-GMM dynamic model to mitigate the issue of endogeneity and time-

invariant country-specific effects.

Nwagu (2023) examined the effect of exchange rate, inflation rate, monetary policy rate and gross domestic product growth on FDI inflows into Nigeria between 1986 and 2020. The results obtained from the autoregressive distributed lag analysis revealed a long-run connection. Similar to the result obtained by Anochie (2022), the short run results revealed that GDP growth rate and monetary policy rate were the primary macroeconomic variables that considerably increased FDI inflow in Nigeria. Conversely, inflation and exchange rate had negative impact. Bommadevara and Padyala (2023) examined the determinants of foreign capital flows in 47 developing countries over 2000 to 2019 using sequential (two-stage) estimation of linear panel-data model and the two-step system GMM model. The authors found market size, trade openness, quality of institutions, capital account openness and the level of financial development as significant determinant of capital flow. Specifically, FDI was found to be highly determined by market size. Furthermore, global risk aversion, US bond yield, shadow rates, global returns and liquidity were found to be significant drivers of capital flows. Nguyen (2023) examined the influence of monetary policy on FDI in Southeast Asia for the period 1997 to 2020. The OLS regression and cross-sectional dependence test based on panel-corrected standard errors revealed that expansionary monetary policy had a negative influence on FDI, while contractionary monetary policy exerted a positive effect. Furthermore, a positive impact of trade liberalization and the quality of human resources was also found.

To provide a robust perspective of FDI determinants, Islam and Beloucif (2024) carried out a systematic literature review of 112 empirical studies published from 2000 to 2018. The study revealed the consistent influence of market size. Trade openness, infrastructure quality, labour cost, macroeconomic stability, human capital, and the growth prospect of the host country were also found to be significant in most of the studies reviewed. Imran et al. (2024) examined the association between FDI and selected macroeconomic variables in the Indian economy over 1990 to 2021. Employing the Johansen co-integration test and Vector error correction model (VECM), Exchange rates, GDP per Capita, Inflation and Natural resources were found to exhibit significant linkage with FDI. In Nigeria, Onyele et al. (2024) exposed the significant effect of global liquidity, global real GDP growth, risk aversion, global interest rate and domestic real GDP growth on capital flows. The magnitude of this influence varied slightly across the forms of capital flows. The study had deployed the ARDL model to analyse data ranging from 1980 to 2020.

THEORETICAL FRAMEWORK

Eclectic FDI theory

The eclectic paradigm was postulated by John Dunning in 1976. The theory provides an all-inclusive framework that identifies the significance of factors that influence international economic involvement of which FDI is a vital aspect. The framework captures the strategic role played by ownership advantages, location specificity, and internalization on the extent, form and pattern of foreign capital importation (Asongu, et al., 2018). Ownership advantages, according to Batschauer-da-Cruz et al. (2020), identified the unique firm-specific competitive advantages as compared to other firms. The authors also explained that location advantages are country-specific factors related to the market under consideration while internalizing advantages are concerned with the costs of choosing a hierarchical mode of operation over an external mode (Dunning, 1993). Specifically, the theory according to Karau and Nganga (2019), asserted that measures of location advantages (potential demand, economic, legal, political and trade policies) have significant effect on FDI. It argued that the benefits of

localization constitute a necessary and sufficient condition for FDI as more firms will choose to augment or exploit their specific advantages by engaging in FDI (Dunning, cited in Brouthers, et al., 1996; Sane, 2016).

Highlighting the applicability of the Eclectic FDI theory, Asongu et al. (2018) claimed that the theory provides the most comprehensive theoretical viewpoint for rationalizing the decisions of multi-national enterprises to engage in FDI.

This research on the effect of macroeconomic variables is focused on exploring the relevance of the locational specificity.

Methodology

The study analysed quarterly time series data covering the year range of 2010 to 2023 with the aim of trying to determine the interactions between of Foreign Direct Investment and macroeconomic variables in Nigeria. The macroeconomic variables studied were Exchange rate, Gross domestic product, Stock market capitalisation, Inflation rate, Interest rate and trade openness. The secondary data was obtained from the Central statistical bulletin and National bureau of statistics trade reports.

Specifically, measures of location specificity utilized in this study are size of economy measured as GDP, size of market measured as stock market capitalisation, Trade policies measured as trade openness and price level estimated as inflation rate, exchange rate and interest rate. Foreign direct investment is measured as the sum of FDI-equity and FDI-other capital.

A triangulation of econometric methods was deployed for analysis. The time-series data was initially tested to verify the stationarity of data using Augmented Dickey-Fuller (ADF) test. The Granger causality test was then utilised to check the existence of causation after which, Johansen cointegration test was conducted to ascertain whether there exists long-run equilibrium relationship among the variables.

The study utilized the following functional model modified from the works by Karau and Nganga (2019) and Kubo (2019):

$$FDI = f(EXR, GDP, INF, INR, SMC, TOPEN) \dots\dots\dots(i)$$

The econometric form of the equation is thus stated as;

$$LFDI_t = \alpha_1 + \beta_1 EXR_t + \beta_2 GDP_t + \beta_3 INF_t + \beta_4 INR_t + \beta_5 SMC_t + \beta_6 TOPEN_t + \varepsilon_t \dots(ii)$$

Wherein;

FDI - Foreign Direct Investment

EXR - Monthly Official Exchange Rate - End Period (N/US\$1.00)

GDP - Total GDP @ Constant Basic Prices

INF - Inflation Rate: Headline, Core and Food

INR - Monetary Policy Rate

SMC - Stock Exchange Market Capitalisation (Equity only)

TOPEN - Trade openness measured (Export + Import)/GDP

Coefficient β_1 and β_6 and the error term ε_t are to be estimated.

DATA ANALYSIS AND RESULTS

TABLE 1. Descriptive Statistics

Variables	Mean	Maximum	Minimum	Std. Dev.	JB-Prob	Observations
FDI	301.3841	839.7100	47.60000	196.7321	0.009880	56

EXR	293.3052	899.8900	149.7800	161.4374	0.000000	56
GDP	16862.29	21773.26	12583.48	1992.767	0.911792	56
INF	13.31089	24.66000	8.000000	3.877275	0.038946	56
INR	15.98964	18.86000	11.20000	2.081804	0.002146	56
SMC	14366.32	40917.51	5648.280	8020.648	0.000000	56
TOPEN	465.6975	1230.960	189.7800	215.3937	0.000000	56

Source: Eviews Output

The descriptive statistics indicated that beside inflation rate and interest rate, all the other variables studies exhibit high volatility as indicated by high values of standard deviation. The value of Jarque-Bera statistics revealed that only the distribution of GDP is normal.

To eliminate spurious regressions that may cause errors in the analysis, the study used the ADF unit root test to examine the stationarity of the time series data. The summary of the results from the ADF unit tests is presented on Table 2.

TABLE 2. ADF Test Results

Variables	Level		First Difference		Level of Significance	Order of Integration
	T-Stat	P-Value	T-Stat	P-Value		
FDI	-1.061651	0.2570	-6.177437	0.0000	5%	I (1)
EXR	2.577820	1.0000	-3.236310	0.0233	5%	I (1)
GDP	-1.433732	0.5586	-3.494062	0.0121	5%	I (1)
INF	0.482035	0.9845	-3.543307	0.0105	5%	I (1)
INR	-2.322291	0.1689	-4.053737	0.0024	5%	I (1)
SMC	2.918010	1.0000	-5.408163	0.0000	5%	I (1)
TOPEN	0.276594	0.9750	-6.243973	0.0000	5%	I (1)

Source: Eviews Output

All the series are integrated at same level and thus provides justification for the tool of analysis. The Granger Causality test was used to determine the casual relationship that exists between FDI and the explanatory variables of the study. This test, according to Imran et al (2024) is effective in ascertaining the determining power of potential predictive variables. To run the Granger Causality, test the following VAR model was estimated in line with the objective of the study.

$$FDI_t = \alpha + \sum_{i=1}^p \beta_{1i} FDI_{t-i} + \sum_{i=1}^p \beta_{2i} EXR_{t-1} + \sum_{i=1}^p \beta_{3i} GDP_{t-1} + \sum_{i=1}^p \beta_{4i} INF_{t-i} + \sum_{i=1}^p \beta_{5i} INR_{t-1} + \sum_{i=1}^p \beta_{6i} SMC_{t-1} + \varepsilon_{1t} \sum_{i=1}^p \beta_{7i} TOPEN_{t-1} + \varepsilon_t \dots\dots\dots(3)$$

Where;

α is the constant.

$\beta_{1i}, \beta_{2i}, \text{ and } \dots \beta_{7i}$ are the coefficients of the lagged dependent variables.

ε_t is the error term.

p is the number of lags determined by the Akaike Information Criterion (AIC).

The results of Granger causality tests to investigate the causal relationship are shown in Table 4.

TABLE 4. Pairwise Granger Causality Tests

Null Hypothesis:	Obs	F-Statistic	Prob.
EXR does not Granger Cause FDI	55	10.6719	0.0019
FDI does not Granger Cause EXR		0.71376	0.4021
GDP does not Granger Cause FDI	55	5.71178	0.0205
FDI does not Granger Cause GDP		1.89645	0.1744
INF does not Granger Cause FDI	55	5.78903	0.0197
FDI does not Granger Cause INF		7.22965	0.0096
INR does not Granger Cause FDI	55	1.16814	0.2848
FDI does not Granger Cause INR		0.58833	0.4465
SMC does not Granger Cause FDI	55	6.13325	0.0166
FDI does not Granger Cause SMC		0.07003	0.7923
TOPEN does not Granger Cause FDI	55	2.68378	0.1074
FDI does not Granger Cause TOPEN		2.74360	0.1037

Source: Eviews Output

The results presented on Table 4 show substantial unidirectional causal links between economic indicators and FDI. Specifically, based on the p-values of the estimated coefficients, the results indicate that GDP, exchange rate, inflation rate and market capitalisation granger-causes FDI. Trade openness and interest rate however did not exert similar effect. Furthermore, the results revealed a bi-directional relationship between inflation and FDI.

Furthermore, the study utilised the Johansen cointegration tests to ascertain the existence of a long-term equilibrium relationship between the variables. The results from the Johansen cointegration tests are presented in Table 5 and Table 6.

TABLE 5. Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	Critical Value @ 0.05 Prob.**	
None *	0.850149	240.8836	125.6154	0.0000
At most 1 *	0.661503	138.3854	95.75366	0.0000
At most 2 *	0.490490	79.89049	69.81889	0.0063
At most 3	0.280934	43.47793	47.85613	0.1214
At most 4	0.204900	25.66864	29.79707	0.1389
At most 5	0.124597	13.28715	15.49471	0.1047

At most 6 *	0.106839	6.101346	3.841465	0.0135
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Source: Eviews Output

TABLE 6. Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesized No. of CE(s)	Eigenvalue	Max-Eigen Statistic	Critical Value @ 0.05	Prob.**
None *	0.850149	102.4982	46.23142	0.0000
At most 1 *	0.661503	58.49490	40.07757	0.0002
At most 2 *	0.490490	36.41256	33.87687	0.0244
At most 3	0.280934	17.80929	27.58434	0.5110
At most 4	0.204900	12.38149	21.13162	0.5105
At most 5	0.124597	7.185802	14.26460	0.4674
At most 6 *	0.106839	6.101346	3.841465	0.0135

Source: E-views Output

Both Trace test and Max-eigenvalue test indicated the existence of 3 cointegrating eqn(s) at the 0.05 level, justifying the estimation of a vector error correction model. The long run dynamics of the VECM result is presented on Table 7.

TABLE 7. Long run Dynamics of VECM Model - Cointegrating Eq

	FDI(-1)	EXR(-1)	GDP(-1)	INF(-1)	INR(-1)	SMC(-1)	TOPEN(-1)	C
CointEq 1	1.00	-6.29828	0.35019	137.283	-20.0711	-0.02418	1.27541	-6137.1
Std Error		(0.6381)	(0.0257)	(14.537)	(13.972)	(0.0107)	(0.2537)	
T-Stat		[-9.86946]	[13.582]	[9.4436]	[-1.43643]	[-2.25563]	[5.0268]	

Source: E-views Output

FDI = 1.000000 FDI(-1) - 6.298275 EXR(-1) + 0.350199 GDP(-1) + 137.2837 INF(-1) - 20.07108 INR(-1) - 0.024183 SMC(-1) + 1.275414 TOPEN(-1) - 6137.095

The cointegrating equation estimated using the VECM showed a high t-statistics with respect to the variables understudied indicating the significance of the coefficients of EXR, GDP, INF, SMC and TOPEN in determining the flow of FDI in the long run. It is pertinent to note that while TOPEN is not significant in the short run, it however has a significant impact in the long run. Summarily, in the short run, the study revealed that exchange rate, gross domestic product, inflation rate and stock market capitalisation are the determinants of foreign direct investment in Nigeria, while in the long run, the determinants were exchange rate, gross domestic product, inflation rate and stock market capitalisation and trade openness.

To validate the study's model, we performed diagnostic tests such as normality, heteroskedasticity, serial correlation and autocorrelation to ensure its robustness and applicability.

TABLE 8. Diagnostics Results

Tests	Chi-sq/ Stat	LRE* stat/ Q-	Prob.
VEC Residual Normality Tests (Skewness)	0.347884		0.5553
VEC Residual Normality Tests (Kurtosis)	0.421267		0.5163
VEC Residual Normality Tests (Jaque-Bera)	3.021752		0.2207
VEC Residual Heteroskedasticity Tests	488.4597		0.0909
VEC Residual Serial Correlation LM Tests	62.57291		0.0921
VEC Residual Portmanteau Tests (Autocorrelations)	135.8696		0.5829

Source: Eviews Output

The results indicated the absence of heteroskedasticity, serial correlation and autocorrelation within the residuals; hence the model is well specified. It is also revealed that the residuals are multivariate normal.

The predictive significance of gross domestic product and stock market capitalisation on FDI confirmed in this study is consistent with the result provided by Bommadevara and Padyala (2023) Islam and Beloucif (2023), Atobatele (2023) Pan et al. (2022) Asongu et al. (2018) Mele and Quarto (2017), Nxumalo and Makoni (2021) and Saleem et al. (2021). However, contrarily to the insignificance of trade openness indicated by this study, these authors had found the relevance of trade openness in determining FDI. With regards to interest rate, similar to the work by Pan et al. (2022), an insignificant effect was revealed unlike the findings by Nguyen (2023) and Karau and Nganga (2019) which had indicated a significant influence of interest rates on FDI. Furthermore, consistent with Nguyen (2023) and Anochie (2022), the study established the determining role of exchange rate and inflation rate.

Conclusion

Foreign capital importation remains a significant source of capital to fragile state economies and developing economies in general stimulating a consistent attention to the drive for foreign capital to supplement domestic resources in developing economies. This study aimed to ascertain the determinants of FDI in Nigeria by examining the effect of exchange rate, gross domestic product, inflation rate, interest rate, stock market capitalisation and trade openness on FDI in Nigeria over the period covering 2010 to 2023. The study deployed granger causality to examine the short run impact and VECM to examine the long run association. Based on the findings of this study, the study concluded that the determinants of foreign direct investment in Nigeria were exchange rate, gross domestic product, inflation rate and stock market capitalisation.

Based on the findings, the study recommends that government prioritise economic growth and price stability. These policies would include streamlining the administration of taxes across states to effectively eliminate tax distortions, promote transparent policies that enhance infrastructural development and strengthen the regulatory framework in support of a cashless economy.

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PUBLIC PERCEPTION OF HIGHWAY KIDNAPPING AND THE CHALLENGES OF TRAVELERS IN EDO STATE

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Abstract

This study examined the public perception of highway kidnapping and the challenges of travelers in Edo State. The study was anchored on the strain theory. The study used a survey design. It employed a judgmental sampling method of 200 travelers in four selected motor parks which were Uselu, Ramat, Dawson and Oluku motor park areas. The data collected was through questionnaires and it was analysed using simple percentage analysis and frequency distribution table. The findings indicated that economic hardship, poverty, and youth unemployment were major causes of highway kidnapping on the road. The study recommended amongst others that the state government should create more job opportunities to engage more idle persons into productive activities.

Keywords: commuter, kidnapping, kidnapper, kidnapped, syndicate, ransom

Introduction

The phenomenon of kidnapping is giving the residence of Edo State sleepless night, this is due to the exponential growth of kidnapping cases in the South-South Nigeria. Several reports have been frightening such as the abduction of the Chairman of the Esan Central Local Government Area of Edo State, Prof. Waziri Edokpa, and a school teacher at the Iriwa Primary School, Ohordua, Mr Paul Aluola, and his wife, a petty trader at Ewatto in the Esan South East Local Government Area of the state, were abducted on November 30 2019, while on transit from a neighboring town (Punch newspaper, 2020).

It has been observed that from Sagamu to Benin, there are security checkpoints mounted by soldiers, regular police, mobile police, customs, road safety corps, and the Special Anti-Robbery Squad. One runs into them within every kilometer on that highway. Sometimes, different teams of security personnel stay within 300 metres of one another. Even though their presence helps to deter crime, motorists bear the brunt of their presence,

as they engage more in exploitation than security. And curiously, these security agents are only found on the way to Benin but never seen on the way to Sagamu, which clearly shows that they are not on the road for security purposes. Despite their presence on the road, abductions take place regularly on the highways. For example, on the twin border towns between Ondo State and Edo State called Ofosu and Ohosu on the Sagamu-Benin Expressway, the locals reported that the highway bandits strike on the road virtually every day in the morning and in the evening (Punch Newspaper, 2019).

Stopping the activities of the highway kidnappers is simple because their hideouts are known, unlike other kidnappers who hide their victims in unknown destinations within inhabited neighbourhoods (Punch Newspaper, 2019). There is no need to just keep soldiers on the highways when the kidnappers are inside the forests some kilometers away from the highways. Highway abductions and killings occur regularly on the way to Abuja, or Osun or Ondo or Edo and other places because the criminals have realised that the government has not taken hard steps to flush them out of their hideouts. Because they have a place they can always return to and a place to keep their victims, they have continued to operate brazenly. After a prominent person is kidnapped, people lament, and the matter is soon forgotten until another high-profile case occurs. One of such high-profile kidnapping is the kidnapping of Uyi Oloton, the CEO of Uyi Technical few years ago (Adeniyi, 2019). The Edo State abduction Prohibition Amendment Law modifies S3 of the legislation to give kidnappers the death penalty for the crime of abduction. This illustrates how the law is wholly intolerant of the crime (Mojolaoluwa, 2021). This research is aimed to investigate the perception of travelers on the menace of kidnapping on the highway in Edo State.

Research questions

- i. Is the economic hardship a factor for highway kidnapping?
- ii. Is government taking steps to curb highway kidnapping?
- iii. Are high economic earners at more risk to highway kidnapping?
- iv. Do police check points help prevent highway kidnapping?

Research Objectives

- i. To examine if economic hardship is a factor for highway kidnapping
- ii. To ascertain whether government has taken steps to curb highway kidnapping
- iii. To identify if high economic earners are at more risk to highway kidnapping
- iv. To determine whether police check points help prevent highway kidnapping

Statistics on Kidnapping

Kidnapping is illegal under all criminal codes and statutes throughout the world and is considered a violation of a society's fundamental rights to freedom of movement and association (Okwuwada, 2023). America, Mexico, and a few other countries have been said to have high rates of crime (Obarisiagbon & Aderinto, 2018). However, according to Hiscox Group (2011), in 1999, there were approximately 5,181 cases in Columbia, 1,434 in Mexico, 250 in the former Soviet Union, 515 in Brazil, 512 in the Philippines, and 34 in Nigeria. In the Americas, 75% of adults and 27% of children were abducted, 61% of adults and 39% of children were abducted in South East Asia and the Pacific, and 82% of adults and 16% of children were abducted in Europe/Central Asia, according to a 2016 UN index (Gongs, Famave, Maxwell & Annagu, 2021). Kidnapping has been recognised as a threat on a global scale. For instance, it has been noted that child abduction occurs in a number of the world's most impoverished nations, particularly those in Africa, the Middle East, Mexico, the United States, and Asia (Leonardo, 2018; Oliveira, 2019; Jolly & Vikram-Sharma, 2021). Statistical

evidence indicates that the threat of crime is worldwide and quite worrisome in Nigeria and Edo State.

THEORETICAL FRAMEWORK

Strain theory

The idea of strain offers insight into how socioeconomic factors contribute to the rise in kidnapping in Nigeria. It also functions as a genuine theoretical instrument for comprehending how culture, social structure, and criminal conduct are related to one another. Emile Durkheim (1897) introduced the hypothesis of anomie which was developed as strain. Durkheim, who advocates for structural functionalism, views society and its social structures as living, breathing unions (Durkheim, 1897). For society to work well, both the system and its subsystem—the citizens—have important responsibilities to play (Çam & Irmak, 2014). The strain theory of crime was employed to explain the incidence of kidnapping in Nigeria. Robert Merton's (1957) argument was that a society instills in its members a desire for certain goals and prescribes socially approved means for realizing such goals. Due to quest for materialism and the love to desperately become rich overnight have so many Nigerians have developed innovative methods towards achieving their desire. Some of the deviant strategies innovated include bribery and corruption, embezzlement, robbery, kidnapping for financial purposes and all forms of fraud. In fact, innovative methods or short cuts to wealth or financial success in Nigeria has translated into what has described as a prevailing value system that encourages tainted, corrupt, and illegal practices as necessary and sufficient means to survive (Owagbemi & Olaseinde, 2021). The theory explains why certain individuals would engage in kidnapping because of the perceived benefits they think they can get. This goes to show that kidnapping in Nigeria and Edo State is on the rise due to fact that certain persons intend to make quick money without going through the legitimate pathway which is to get a decent job or start a business. In recent times, there is an exponential growth of youths engaging themselves in the crime of kidnapping. In their opinion kidnapping offers a lucrative prospect for their future.

METHODOLOGY

For this study, descriptive survey was adopted. A descriptive survey is an inquiry into a part to sample a population aimed at knowing their perception about something or to study the attitudinal and behavioristics approach of the samples and their demographic and psychographic attributes (Ponto, 2015).

Population of the Study

The population of this study comprises of travelers in Edo State, who would be derived from four major motor parks in Benin City. The four motor parks were chosen on the basis that they receive high numbers of travelers and they ply highway that reports have shown to be hotspots for kidnapping operations.

Sample Size and Sampling Technique

This study used a judgmental sampling approach to get number of respondents for the study. Judgmental sampling is most effective in situations where there are only a restricted number of people in a population who own qualities that a researcher expects from the target population (Elfil and Negida, 2017). A sample size of 200 passengers was determined. The two hundred (200) passengers were drawn from four different motor parks which included Uselu, Ramat,

Dawson, and Uluku Motor Parks. The passengers were selected using the simple random sampling technique.

Research Instrument and Administration

The research instrument used for this work is the questionnaire. The questionnaire contained twenty-five (25) items which consisted of two sections A and B. Section A dealt with the personal data of the respondent, such as, sex, age, religion, and occupation. The Section B addressed the research questions formulated for this study. The researcher distributed the questionnaire to passengers in the four motor parks in Benin City, Edo State. The researcher waited until each respondent completed the questionnaire and retrieved the completed questionnaire.

Method of Data Collection

This study employed the primary and secondary sources of data collection. The primary source of data involved the use of questionnaire, while the secondary source included journals, textbooks, articles, and the internet.

Method of Data Presentation and Analysis

Simple percentage analysis was used in this study. Data gathered would be presented in cross tabulation format to analyze the research questions. The frequency of the options in some of the questions was determined by using percentage and the percentages calculated based on the numbers of responses. Below is the formula for simple percentage method.

$$\text{Percentage (\%)} = \frac{F}{N} \times 100$$

Where: F = Frequency of response.

N = Number of respondents

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

Analysis of Research Questions

Research Question 1: Is the economic hardship a factor for highway kidnapping?

TABLE 1: The economic hardship as a cause for highway kidnapping

Variables	Frequency	Percentage
Strongly Agree	76	38%
Agree	50	25%
Undecided	5	2.5%
Strongly Disagree	44	22%
Disagree	25	12.5%
Total	200	100%

Source: Field Work, 2022

The table above shows that 76 respondents representing 38% strongly agreed that the economic hardship being experienced is responsible for the increase in kidnap cases on the highway, 50 respondents representing 25% agreed, 5 respondents representing 2.5% said undecided, 44 respondents representing 22% strongly disagree while 25 respondents representing 12.5% said they disagree. Judging by the highest value of 76 (38%) is shows that majority of the respondents agreed that the economic hardship being experienced is responsible for the increase in kidnap cases on the highway.

Research Question 2: Is government taking steps to curb highway kidnapping?**TABLE 2: Steps by government to curb highway kidnapping**

Variables	Frequency	Percentage
Strongly Agree	57	28.5%
Agree	74	37%
Undecided	8	4%
Strongly Disagree	35	17.5%
Disagree	26	13%
Total	200	100%

Source: Field Work, 2022

The above table shows that 57 respondents representing 28.5% strongly agreed that the steps taken by the state government is effective in curbing highway kidnapping, 74 respondents representing 37% agreed, 8 respondents representing 4% said undecided, 35 respondents representing 17.5% said they strongly disagree while 26 respondents representing 13%, they disagreed. Judging by the highest value of 74 (37%) it shows that the research question is valid as it has affirmed that the steps taken by the state government is effective in curbing highway kidnapping.

Research Question 3: Are high economic earners at more risk to highway kidnapping?**TABLE 3: Socio-economic status of victims of highway kidnapping**

Variables	Frequency	Percentage
Strongly Agree	50	25%
Agree	75	37.5%
Undecided	12	6%
Strongly Disagree	25	12.5%
Disagree	38	19%
Total	200	100%

Source: Field Work, 2022

The above table shows that 50 respondents representing 25% strongly agreed, 75 respondents representing 37.5% agreed, 12 respondents representing 6% said undecided, 25 respondents representing 12.5% said they strongly agreed while 38 respondents representing 19% they disagreed. Judging by the highest value of 75 (37.5%) it shows that the research question is valid as it has affirmed that passengers with high social status are susceptible to be victims of highway kidnapping.

Research Question 4: Do police check points help prevent highway kidnapping?

TABLE 4: Police check points to curb highway kidnapping

Variables	Frequency	Percentage
Strongly Agree	66	33%
Agree	78	39%
Undecided	8	4%
Strongly Disagree	22	11%
Disagree	26	13%
Total	200	100%

Source: Field Work, 2022

The above table shows that 66 respondents representing 33% strongly agreed, 78 respondents representing 39% agreed, 8 respondents representing 4% said undecided, 22 respondents representing 11% said they strongly disagreed while 26 respondents representing 13%, they disagreed. Judging by the highest value of 78 (39%) it shows that the research question is valid as it has affirmed that police check points deter kidnapers.

Discussion of Findings

The first finding reveals economic hardship, poverty; youth unemployment are major causes of highway kidnapping on our roads. All these could be attributed to the harsh economic situation in the country. This corroborates with the findings of Enobakhare and Oleabhielle (2022) that pointed out that kidnapping in the Niger Delta was strongly linked to the poor economic situation of the country. The second finding indicates that the state government is taking laudable measures to curb highway kidnapping in the state through various means such as intelligence gathering by security agencies, passage of stringent law on kidnapping and setting up of special courts for kidnap cases. The third finding of this study shows that passengers with high social status are more susceptible to be target of kidnapping, because of the style of living of the passengers who possess expensive cars and valuables assets are usually target for kidnapers. Similar assertions were made by Enobakhare, Omege and Anyamene (2015) in their work that examined the causes of kidnapping in Nigeria. The final finding shows that the research question is valid as it has affirmed that the presence of police check points on the highway is a veritable measure to reduce the menace of kidnapping on the highway. Also, the introduction of motorized patrol by security agencies would go a long way in curbing kidnapping on our highways.

Conclusion

In line with the finding of the study and the discussion, the study asserts the following conclusions. Highway kidnapping is influenced by the economic hardship being experienced in the state; this has led to increase in kidnap cases which are based on financial gains. The study was able to identify that a large number of the public believed that travelers who are high economic earners tend to be more likely to get kidnapped compared to those who are low economic earners.

Recommendations

From the findings of this study, the following recommendations were made:

- i. The state government should create more job opportunities to engage more idle persons into more productive activities. The youths should be engaged, and more empowerment programmes initiated for their participation and benefits. For example, vocational and technical skills should be created as well skills in information technology.
- ii. Passengers should be advised to dress modestly and do not carry attractive items that could put them at risk of being kidnapped.
- iii. Government should initiate more proactive measures such as the use of drones and proper surveillance gadgets to monitor activities on the highway.
- iv. The police should be trained in the area of profiling kidnapping and using technological devices that would help detect those who commit the crime.
- v. It is vital that there should be establishment of a stiffer law with capital punishment for persons who engage in kidnapping in the state. This would serve as a deterrent measure in the state.

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TAX PLANNING STRATEGIES AND FIRM FINANCIAL PERFORMANCE: A CONCEPTUAL REVIEW

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Abstract

The need to further explore the trade-off between the firm-level costs and benefits of tax planning ignited the need for this paper. This is against the backdrop of two contending schools of thought regarding the tax planning-performance relationship: those considering tax planning as a tax-saving strategy, which ultimately boosts performance, and those that hold the view that such a relationship only depends on the tax planning strategy. To contribute to this ongoing debate, this paper examines the impact of tax planning strategies on firm performance. It employed a desk-based research approach under the interpretivism paradigm and relied on the theoretical lenses of Hoffman's Tax Planning Theory and Agency Theory. The review encompassed a total of 40 peer-reviewed papers, primarily published between 2014 and 2024, sourced from major academic databases such as Google Scholar. The review's findings revealed that certain tax planning strategies, such as thin capitalization, transfer pricing, and income shifting to tax, fall under the aggressive tax planning category, while others, like capital intensity, fall under the effective tax avoidance scheme. Further, the analysis of the reviewed empirical studies corroborates the assumption that the application of tax planning strategies can be beneficial or disadvantageous to a firm depending on the level of management's conformity to acceptable corporate governance practices. The paper concludes that tax planning schemes and financial performance are interrelated factors that can significantly enhance a company's overall performance. It is recommended that firms should integrate tax planning into their overall financial scheme to enhance performance, provided that the associated cost and risk of implementing a tax planning strategy do not surpass the tax savings and benefits in terms of firm value.

Keywords: Tax Avoidance, Tax Evasion, Tax Havens, Tax Planning, Transfer Pricing.

Introduction

Generally, corporate tax is a key revenue source for the government and one of the fiscal strategies deployed by governments in generating resources for delivering essential public services. Governments impose it as a compulsory levy on the incomes of both individuals and corporate entities, with no immediate reward for compliance (Kaishu, 2024). While taxes are a valuable source of revenue for the government, their payment represents a significant financial obligation for companies, which reduces corporate financial earnings (Awotomilusi et al., 2024). Considering the enormous impact of tax liability on the performance of taxpaying firms, organisations usually try to reduce their overall tax burden by adopting different tax planning strategies (Ariff et al., 2023). This represents a firm's ability to plan its tax affairs using a multitude of strategies, including exploiting loopholes in tax laws to reduce its tax bills legally (Cooper & Nguyen, 2020; Pajo et al., 2024).

Literature has documented some tax planning strategies, which include base erosion and profit shifting (BEPS), utilising tax shelters or debt tax shields (thin capitalisation); investing in fixed assets (capital intensity), transfer pricing manipulation, tax haven utilisation, payment of intangibles, financing structure of affiliates, moving profits and losses between tax years to either defer tax or take advantage of a more favourable tax rate; and engaging in earnings manipulations (Bougacha & Guedrib, 2024; Eche et al., 2023; Li et al., 2021). Although the majority of these tax planning strategies are considered legal in different countries, governments still tend to discourage aggressive tax planning since it threatens the level of retrievable government revenue, which has detrimental effects on the provision of public goods (Awotomilusi et al., 2024). Despite this, numerous companies continue to engage in tax avoidance based on the argument that managers owe it to their shareholders to maximise their wealth (Elamer et al., 2024). They achieve this by reducing tax payments, thereby redirecting resources from the government to the company (Nebie & Cheng, 2023; Stiglingh et al., 2020).

Following literature evidence, there should be a relationship between tax planning and firm performance, either positively or negatively. The latter may play out when the associated cost and risk of achieving tax avoidance outweigh the tax savings, and vice versa for the former (Kouroub & Oubdi, 2022; Tackie et al., 2022). However, when in equilibrium, companies are likely to implement tax planning strategies to avoid taxes only when the marginal benefit exceeds the marginal cost (Dang et al., 2021; Elamer et al., 2024). In other words, the essence of the traditional relationship between tax planning and firm performance is based on the basic assumption that the benefits from tax planning exceed tax cost and associated risk. This traditional view, however, does not always hold true in practice because tax planning strategies and the attendant effects are not homogeneous across companies and multinationals (Behr & Schiwy, 2024). As it stands, a growing body of literature (see, e.g., Alkurdi & Mardini, 2020; Bougacha & Guedrib, 2024; Sinebe & Akpomiemie, 2023) supports the agency theory perspective, which holds that inadequate management of tax planning strategies could lead to high agency costs (due to managerial opportunism) and consequently undermine firm value and performance, especially in weak corporate governance settings (Aliyu & Muhammad, 2021; Nebie & Cheng, 2023).

The need to further explore the trade-off between the cost and benefit of tax planning hinges on the uncertainty in the literature regarding two viewpoints. First is the argument that the nexus between tax planning and firm performance is dependent on the strategy adopted, either effective tax planning or aggressive tax strategies (Duhoon & Singh, 2023; Oats & Tuck, 2019). The second is the argument that the traditionally expected positive impact of tax

planning strategies on firm performance is hinged on the effectiveness of corporate governance and other external factors such as country specifics (Ariff et al., 2023; Cooper and Nguyen, 2020).

One plausible way of dissenting the above conjecture is to x-ray the outcomes and positions of the existing studies in the form of literature review (desk-based) research. The idea is to adopt a stance from the opposing schools of thought and also pinpoint the gaps in the existing studies, which will instigate further empirical research. This paper contributes to the existing literature on tax planning by offering multiple interpretations and shared meanings to the existing related findings, thereby highlighting and justifying the need for further studies and the potential area of focus thereof. It is expected that the recommendations will throw up a researchable conceptual framework, relying on the identified gaps in the literature that can be empirically explored by future researchers.

The paper consists of six sections. Section one discusses the study's background and the competing issues that motivated it. Section two begins with the conceptualisation of tax planning, including its forms and strategies. Section 3 explains the adapted methodology of the study. Section 4 presents a review and analysis of related empirical studies. Section 5 presents the study's theoretical foundations. Section 6 concludes the study and provides recommendations.

Financial Performance

Financial performance refers to how well a company manages its financial resources to achieve profitability, sustainability, and growth. It encompasses various indicators that evaluate a firm's ability to generate revenue, control costs, and maintain financial stability (Khuong et al., 2020). Abdullahi et al. (2021) defines it as the degree to which the company has achieved or will achieve its financial aims and objectives. As per Laurencia and Amalia (2021), a firm is said to have strong financial performance based on the company's ability to sustain operations, invest in growth, and provide returns to stakeholders. All these are achievable through good financial management and planning.

According to Otuya and Omoye (2021), the primary goal of financial management is to ensure the company's continued growth in order to generate shareholder wealth. Therefore, an effective tax planning strategy should produce wealth creation for the company (Kouroub & Oubdi, 2022). So, primarily, there should be a relationship between tax planning and firm performance, either positively or negatively. The latter may play out when the associated cost and risk of achieving tax avoidance outweigh the tax savings, and vice versa for the former (Tackie et al., 2022). Therefore, a company's financial performance, which could be gauged using either accounting or market-based metrics, is contingent upon how effectively it makes use of its assets from the fundamental outcome of the operational activities and its subsequent revenue generation or profit-making (Awotomilusi et al., 2024).

Concept of Tax Planning

There is not a universal definition of tax planning in the literature, as different scholars describe it based on context. For example, Cooper and Nguyen (2020) defined tax planning as the ability of companies to plan and structure their tax affairs involving a range of mechanisms to reduce tax liability. Eche et al. (2023) also defined tax planning as the capacity of tax payers to arrange their financial activities by using different strategies to suffer a minimum tax expenditure. Kouroub and Oubdi (2022) described it as a set of practices aimed at reducing the present value of tax payments and generally increasing investors' after-tax returns. According to Abdullahi et al. (2021), tax planning is the practice of structuring one's affairs to postpone, eliminate, or even decrease the amount payable to the government as taxes. According to Pajo et al. (2024),

the general goal of tax planning is to increase distributable profit by reducing tax expenses, which typically necessitates strategic management efforts to ensure the company pays the minimum amount of tax to the government.

One observable trend in all of the above-mentioned definitions is the failure to describe the legality of tax planning. In other words, none of the above-cited authors added or suggested that tax planning entails deploying legal strategies to pay lower taxes. Consequently, the definition given by Hanlon and Heitzman (2010) is deemed suitable in the context of this study. The authors state that tax planning encompasses a range of tax avoidance strategies, with legally permissible activities at one end and more aggressive tactics at the other end (Hanlon & Heitzman, 2010). With this clearer definition, it can be argued that tax planning is a comprehensive term that includes all practices, whether legal or illegal, intended to minimise a company's tax liability, ranging from tax avoidance schemes to tax evasion (Kouroub & Oubdi, 2022). In other words, tax avoidance, which involves using legal means to reduce tax liability, is part of tax planning, whereas aggressive tax avoidance, which involves some unethical practices, is also part of it.

Following the above explanations and in line with prior studies, it can be argued that there are two forms of tax planning, both of which are distinct from tax evasion. They include (i) tax avoidance and (ii) aggressive tax avoidance. According to Payne and Raiborn (2018), the former involves retaining income or wealth in situations where there is no legal obligation to pay taxes, or using enumerated tax provisions in a legal and ethical manner. The latter is considered tax avoidance based on a potentially questionable tax position or suspect legal interpretation, taking advantage of a legal loophole. It is characterised by a bad-faith interpretation of the tax law letter. Therefore, there could be no violation of the letter of the law but a possible violation of the spirit of the law (i.e., legal but potentially unethical).

In summary, it can be argued that tax avoidance does not encompass all activities under tax planning, but rather, the term "tax planning" encompasses a variety of actions a firm takes to strategically reduce corporate income tax (Cooper & Nguyen, 2020; Thanjunpong & Awirothananon, 2019). While tax avoidance is associated with rational business planning, the aggressive part of it, which entails taking advantage of a legal 'loophole', is being cast as morally questionable (Oats & Tuck, 2019). The former is perfectly legal and is at one end, while the latter (i.e., more aggressive tax planning activities) are closer to the other end (Duhoon & Singh, 2023).

Tax Planning Strategies

In line with literature, tax planning strategies represent a wide spectrum of techniques adopted by corporations aimed at reducing their tax liabilities, ranging from relatively benign tax avoidance schemes like moving profits and losses between tax years to more aggressive tax planning strategies like thin capitalisation and the use of tax shelters (Bougacha & Guedrib, 2024; Duhoon & Singh, 2023). This sub-section reviews selected tax planning strategies available in the literature.

Thin Capitalisation

According to Osamor (2022), thin capitalisation is a tax planning strategy used by large companies to structure their capital composition in such a way that it constitutes more debt financing than equity financing. To put it another way, thin capitalisation refers to a situation where a firm finances itself with a higher proportion of debt than equity. Amni et al. (2023) provided a similar explanation of thin capitalisation, describing it as a practice where companies manage their capital structure by increasing debt relative to capital, potentially

serving as a tax avoidance scheme. Anindita et al. (2020) related it to the utilisation of the debt tax shield by choosing debt financing over capital in order to make the company's debt portion bigger than capital. Osamor (2022) summarised that firms with high gearing or leverage are considered thinly capitalised, and Duhoon and Singh (2023) demonstrated that firms financed by debt benefit from tax shields, as debt lowers the taxable amount compared to equity financing.

Thin capitalisation could be considered an example of aggressive tax planning. This is because it involves changing a company's debt structure so that it has more debt than capital in order to get a tax break for using too much debt (Anindita et al., 2020). According to Bougacha and Guedrib (2024), thin capitalisation makes it harder for tax authorities to see the information they're looking for. It's a problem that goes unnoticed but has a direct effect on the loss of the income tax-taxable base. Amni et al. (2023) posit that the tax treatment of dividends and interests, specifically the distinction between treating interest as a return on debt and dividends as a return on stock investment, incentivises multinational companies to adopt thin capitalization. The classification of interest payments as deductible expenses and dividend payments as non-deductible expenses highlights the difference. This demonstrates that a company with high debt will have to pay more interest to its creditors, resulting in a lower taxable profit (Amni et al., 2023).

Consequently, in order to dissuade firms from carrying out aggressive thin capitalisation, some jurisdictions have enacted thin capitalisation rules that restrict deductibility when the debt-to-equity ratio exceeds a certain threshold, thus encouraging equity financing (Amni et al., 2023). As per Ramadhan (2023), about two-thirds of OECD member countries have a thin capitalisation rule, including some African countries like Kenya, Tunisia, and Ghana. However, Osamor (2022) expressively stated that "the Nigerian tax system does not have a thin capitalisation rule that can limit the extent of debt in the capital structure of companies" (p. 197). PwC (2024) confirms that while currently Nigeria lacks thin capitalisation rules, the Finance Act 2019 introduced interest deductibility rules that limit interest deductibility to 30% of EBITDA.

Transfer Pricing

Gbonjubola (2013) defines transfer pricing (TP) as the process of establishing the price for economic transfers between related business entities. It is the inter/intra-company pricing arrangements for transfers of intra-firm trade, intra-firm loans, or knowledge flows of intellectual property, such as the use of patents, trademarks, copyrights, etc. among connected taxable affiliates (Cooper & Nguyen, 2020). Multinationals typically use TP for both cross-border and domestic transactions, determining the price for goods and services traded within related entities located in varying tax jurisdictions (Amidu et al., 2019). Most authors (e.g., Adeyeye et al., 2022; Irawan & Novitasari, 2021) view TP as a legitimate business practice that can help companies reduce their tax liability and enhance group profit even though it faces scrutiny from tax authorities. However, abusive transfer pricing (TP) results in tax base erosion and profit shifting from countries with high tax rates to those with lower tax rates, to the detriment of the host state (Kalra & Afzal, 2023). Prior studies (see, e.g., Choi et al., 2020; Kalra & Afzal, 2023; Irawan & Novitasari, 2021) indicate that transfer pricing is frequently employed by multinationals for dishonest and unlawful goals, such as to evade taxes and misrepresent financial success through the deliberate manipulation of transfer prices, including over- and under-invoicing in transfer pricing transactions. This results in negative experiences for the host country, ranging from the loss of income tax and customs duties to the depletion of natural resources, health hazards, and the psychological feeling of betrayal by these countries (Kalra & Afzal, 2023; Irawan & Novitasari, 2021). Amidu et al. (2019) also posit that transfer

pricing has the propensity to reduce the entitlement of domestic shareholders and employees due to the underreporting of profit. Tax auditors encounter difficulties in auditing transfer pricing cases due to the limited information disclosed by multinational corporations concerning these practices (Adeyeye et al., 2022). In essence, most TP schemes affect different categories of stakeholders in one way or another.

Capital Intensity

According to Hendayana et al. (2024), capital intensity is another form of a company's tax planning strategies and among the potential drivers of tax avoidance. This strategy is all about investing in fixed (non-current) assets based on the fact that a firm's fixed assets generate depreciation expenses, which are deductible from income taxes. Company-fixed assets allow firms to decrease their tax liabilities due to annual depreciation associated with these assets (Hendayana et al., 2024). Akintoye et al. (2020) further explained that capital intensity is the level of a company's investment in fixed assets, and by implication, the level of capital asset-related incentives a company can enjoy. Researchers have discovered that firms can benefit from capital intensity-based allowances and incentives, as the tax calculation deducts the depreciation costs of fixed assets (Monika & Noviyari, 2021). As per Amni et al. (2023), since high depreciation expense reduces the tax burden payable by the company, it then means that a high level of corporate capital intensity is an indication of a low effective tax rate (ETR), which implies that such a company's tax avoidance is high.

From a different perspective, Otuya and Omoye (2021) clarified that a company's financing choices and other investment decisions, like the purchase or sale of fixed assets, can influence the tax liability and, consequently, the financial success of the company. The quantity of non-current assets, or Plant Properties and Equipment (PPE), that a corporation has available for use in production is known as capital intensity. Before imposing taxes on profits, tax authorities permit a deduction for capital allowances, amortisation, or depreciation. Capital-intensive businesses make the most of these deductions by investigating the best investment strategy to raise after-tax earnings and production quality. According to Otuya and Omoye (2021), business managers can make use of depreciation methodologies' flexibility to accelerate or postpone investment/capital allowance or depreciation/amortisation charges in order to maximise tax benefits. Otuya and Omoye (2021) further suggest that businesses might benefit from R&D expenditures as they cut real tax rates and increase profit after taxes. For instance, a company might allocate resources to research and development (R&D) to gain a competitive edge. However, if this R&D generates government tax credits that lower tax obligations, it could be considered a form of tax evasion (Cooper & Nguyen, 2020).

Profit Shifting to Tax Havens

Income shifting to tax havens is another key location-based tax planning strategy, according to the literature. As per Cooper and Nguyen (2020), certain countries permit foreign corporations or individuals to accrue tax-free capital gains, thus making these offshore havens attractive to those looking to reduce their tax liability. The authors defined tax havens as jurisdictions that offer multinationals a low or zero tax rate, encouraging them to locate businesses there and reduce the group's overall tax payments. Schwarz (2009) further explained that offshore tax havens are jurisdictions with favourable tax laws, looser regulations, lower financial risks, and fiscal confidentiality. Usually, these are small countries with low personal and corporate income taxation, low banking regulation standards, a stable political climate, a financial market, and effective bank secrecy laws. Cooper and Nguyen (2020) observed that prior studies divided offshore tax havens into: (i) the dot tax havens, which are essentially small island economies, and (ii) the Big Seven (Panama, Switzerland, Ireland, Hong Kong, Lebanon,

Singapore, and Liberia) economies that have low or zero taxation but also have significant markets that may be attractive to multinationals.

Stiglingh et al. (2020) compare the tax haven strategy to Base Erosion and Profit Shifting (BEPS), a tax planning strategy that achieves low or no taxation by artificially shifting profits to low or no-tax jurisdictions with little or no economic activity (OECD, 2019). The literature also uses the terms “profit shifting” and “income shifting” to refer to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits from higher to lower tax jurisdictions or no-tax locations, thus eroding the tax base of the higher tax jurisdictions (OECD, 2019). Tax havens are a loophole that allows firms and individuals to substantially diminish their tax liabilities using mechanisms such as foreign leveraged investment program and the offshore portfolio investment strategy (OPIS) (Riedel, 2018). Based on literature evidence, Cooper and Nguyen (2020) describe a variant of profit sharing in tax havens. This variation entails transferring intangible assets to a holding company situated in a nation with low taxation, after which the operating subsidiaries are charged royalties for their use.

Methodology

The study employed a desk-based research approach under the interpretivism paradigm. It specifically applied the meta-analysis pattern of desk research, which, according to Saunders et al. (2019), involves combining and synthesising the results of multiple prior studies on a similar topic or question. Consequently, a total of 40 peer-reviewed papers, mostly those published between 2014 and 2024, were used for the review. The paper primarily sourced the related prior studies from Google Scholar and supplemented them with targeted searches in major academic databases such as Taylor & Francis Online, Elsevier, Springer, Science Direct, and Emerald, using the following search terms: tax avoidance, tax planning, tax shelter, tax aggressiveness, thin capitalisation, capital intensity, transfer pricing, profit shifting, and effective tax rate (hereafter, ETR). The next section reviews and analyse the related empirical studies on how different tax planning techniques and measures affect firm performance metrics.

Review and Analysis of Related Studies

In order to analyse the recent occurrences on the study topic, the study relied only on peer-reviewed papers published between 2014 and 2024, the majority of which focused on Nigeria. For example, Pajo et al. (2024) evaluated how tax planning impacts the financial performance of listed and listed conglomerate firms in Nigeria. They found that thin capitalisation is negative and insignificantly associated with the financial performance of listed conglomerate firms in Nigeria; capital intensity is negative and significantly associated; and R&D expenditure is positive but insignificantly associated.

Recently, the utilisation of sustainability activities by managers of tax-evading enterprises was studied by Elamer et al. (2024) in relation to these managers' tax-evasion strategies. In particular, they examine how ESG moderates the tax avoidance-firm value relationship between 2012–2021. According to their findings, investors value organisations with strong ESG performance, while the favourable impact of ESG on corporate value decreases as tax obligations rise. Therefore, it's critical to understand how tax planning tactics and ESG activities affect corporate value.

Further, Awotomilusi et al. (2024) investigated how ETR, thin capitalisation, capital intensity, and leasing choices affected the financial performance in Nigeria. They sampled 15 listed manufacturing firms from 44 Nigeria Exchange Group-listed industrial goods companies from 2013–2022. They concluded that tax planning strategies improve the financial performance of Nigeria's listed manufacturing firms, and the study recommends using

appropriate measures and skills to determine the mix of tax planning strategies to save the company's financial resources.

Nebie and Cheng (2023) conducted a study on company value and its drivers from 2009 to 2019. Their goal is to determine the connection and causality between ETR and company value (Tobin's Q). They found an adverse link between ETR and firm value in a pooled OLS, fixed effects, and random effects analysis. They also discovered a negative correlation between firm value and debt, size, and return on equity, and no positive correlation between Tobin's Q and the cash dividend paid and return on assets. ETR appears to have Granger-cause firm value based on Juodis, Karavias, and Sarafidis's (2021) Granger non-causality tests.

Obamor (2022) investigated how thin capitalisation affects financial performance in selected multinational and non-multinational Nigerian enterprises. According to the study, thin capitalisation affected Nigerian multinational and non-multinational enterprises' financial performance. Therefore, the Nigerian government should establish thin capitalisation laws and control multinational and non-multinational corporations' tax dodging techniques to achieve an ETR.

Otuya and Omoye (2021) examined how thin capitalisation affects MNC performance in Nigeria between 2014-2018. They found that MNC financial performance was positively but insignificantly correlated with thin capitalisation, interest cost rate, ETR, and capital intensity. The study found that management efficiency has a negative but insignificant impact on financial performance. The report recommends tax measures to lower the corporate tax rate and indicates that thin capitalisation improves multinational firms' financial performance in Nigeria.

Minh et al. (2021) examined how tax avoidance affects the value of listed firms in Vietnam from 2010 to 2018. Their result using the Panel-Corrected Standard Errors (PCSE) showed that tax avoidance lowers the value of 209 non-financial firms in Vietnam at a 10% significance level. They also found that foreign ownership, return on assets, leverage, growth rate, company size, sales index, and age all have a positive impact on company value. The most robust factors, such as state ownership and total accruals, have a negative impact on business value. Their study found no statistically significant differences in company size or growth rate.

Akintoye et al. (2020) examined tax planning tactics and the profitability of Nigerian manufacturing businesses. Their results showed that TP does not affect the ROA of listed Nigerian manufacturing firms. The study also discovered that tax planning methods have a positive and negative impact on the profitability of listed manufacturing enterprises in Nigeria. The report advised tax managers and finance officers to minimise thin capitalisation and capital intensity to balance manufacturing enterprises' income sources and efficiently manage research and development expenses to boost profitability. For optimal tax planning, engage professionals.

Ogunmakin et al. (2020) evaluated the nexus between tax avoidance and financial performance of selected Nigerian listed corporations. They measured tax avoidance using EBIT, cost savings, and leverage. They measured profitability using earnings per share (EPS) and found that EBIT and leverage ratios have significant positive impacts on EPS, whereas tax cost savings have a non-significant negative impact. The authors suggest that management create a model to assess the leverage ratio needed to pursue tax evasion tactics without endangering the firm's viability. Khuong et al. (2020) examined the relationship between corporate tax avoidance and Vietnamese listed enterprises' company performance from 2010 to 2016 and found a mixed relationship between corporate tax avoidance and firm performance in Vietnam. Similarly, the main objective of Thanjunpong and Awirothananon's (2019) study is to assess the impact of tax planning (TP) and financial performance (FP) on the Stock

Exchange of Thailand from 2014 to 2016. The sample consisted of 873 firm years, excluding financial companies. The ETR (ETR) and the tax cost to total assets (TAX/ASSET) measure TP, whereas the return on equity measures FP. The study also showed that TP affects the FP both ways, either positively or negatively. ETR is positive; Tax/Asset is negative.

Olarewaju and Olayiwola (2019) examine the corporate tax planning and financial performance of listed non-financial corporations. Their result showed that tax saving has a direct association with financial performance, whereas tax avoidance showed an inverse relationship. However, financial performance responses to tax avoidance shocks were expansionary, which could hurt company performance, while tax savings shocks were contractionary, which could help. Effective tax planning has the potential to significantly improve the performance of non-financial enterprises by increasing tax savings. They recommended that firms engage in tax planning, ensuring that it is lawful and saves them money, to avoid paying excessive or numerous taxes and to improve their financial performance.

Olabisi et al. (2019) explored the relationship between tax planning and the performance of Nigerian listed oil and gas businesses. The descriptive research study collected secondary data from five businesses over a period of six years (2012–2017). Corporate tax planning is based on ETR, FS, FAGE, FL, and ROA for performance. The regression analysis indicates a substantial correlation between ETR, FS, and FAGE and ROA of Nigerian listed oil and gas enterprises ($p = 0.05$). A negative and negligible association exists between FL and Nigerian-listed oil and gas enterprises' ROA ($p > 0.05$). An optimal tax planning mix improves Nigerian-listed oil and gas corporations' performance, the study found. To improve performance, the Nigerian-listed oil and gas firm's management should include tax planning in their financial strategy.

Olajide (2017) explored how tax planning affects listed Nigerian corporations. The study's hypothesis is that tax planning has no significant effect on firms' performance, and the results show that tax planning has an insignificant positive effect on reported earnings, blaming the timing effect, information content, and tax liability for 51.5% of the change. The study found that tax planning does not affect corporate performance. Kawor and Kportorgbi (2014) examined corporate tax planning and firm performance in Ghanaian non-financial firms listed on the Ghana Stock Exchange for a 12-year period beginning in 2000. However, they measured firm performance using Tobin's q . The findings show that low corporate income tax rates reduce enterprises' tax planning intensity. Second, tax planning and firm performance are neutral. The study's outcome challenges the notion that investors receive full tax savings through tax planning. Thus, there is the need for investors to establish mechanisms to maximise tax planning benefits.

It is observable from the review of literature that the outcome of the majority of the prior empirical studies did not validate the assumption of Hoffman's Tax Planning Theory, which projected a significant positive relationship between engaging in tax planning strategies and firm performance. Evidences of the above deduction are observable from the results of Akintoye et al. (2020); Awotomilusi et al. (2024); Aliyu and Muhammad (2021); Kawor and Kportorgbi (2014); Khuong et al. (2020); Minh et al. (2021); Otuya and Omoye (2021), all of which found insignificant relationships between selected tax planning schemes and different firm performance measures.

On the contrary, however, a handful of the outcomes (see, e.g., Pajo et al., 2024; Nebie and Cheng, 2023; Osamor, 2022; Olabisi et al., 2019) tow the part of the tenets of the agency theory (negative relationship) and appear to validate the assumption of managerial opportunism theory (an extension of the agency theory), which contends that the complexity and obfuscation associated with tax planning transactions can create a shield for managerial self-serving

behaviour and the diversion of resources (Desai & Dharmapala, 2006). In essence, the dominant trend in the outcomes of the reviewed studies portrays that, indeed, the application of tax avoidant schemes can potentially enhance firm value by increasing after-tax profit. Be that as it may, the associated costs may oftentimes outweigh the benefits to the shareholders, particularly in a weak governance setting that characterises most developing countries.

Flowing from the above, there are different areas that the prior studies appear not to have sufficiently explored, which constitutes a gap in the literature. For example, the theory elucidates the manner in which managers, functioning as agents, could misrepresent the firm by employing tax planning strategies to redistribute corporate wealth for opportunistic benefits, contrary to the shareholders' interests. Thus, corporate tax planning can have either positive or negative consequences for a company, especially if the managers do not conform to governance practices. Studies like Elamer et al. (2024) and Tackie et al. (2022) have shown significant evidence that practicing tax avoidance with good corporate governance results in greater financial returns and reduced agency costs. This implies that the strength of firms' internal governance mechanisms will most likely moderate the relationship between tax planning strategies and firm performance. Unfortunately, not many of the Nigerian studies have explored that dimension in the existing studies, which creates a gap in the literature. The majority of the reviewed studies that inculcated the interaction terms of different internal corporate governance mechanisms in their models (see, e.g., Tackie et al., 2022; Lestari and Wardhani, 2015; Wahab & Holland, 2012) are non-Nigerian studies and focused on board size and independence, board diversity, and institutional ownership and non-executive ownership, respectively. While the sparseness of Nigerian empirical studies that evaluate for the moderating effects of corporate governance in the TP-performance nexus constitutes a gap in the literature and thus creates an avenue to be empirically explored by further studies.

Theoretical Underpinning

The ideas portrayed in the study can be linked and explained from the purview of two (2) existing theories. They include (i) Hoffman's Tax Planning Theory (TPB) and (ii) the agency theory. First, Hoffman's (1961) theory of planned behaviour holds that the desirability of tax planning efforts is in their ability to maximise the reduction of taxable income without sacrificing accounting income. The TPB hypothesis posits that corporations' taxable income, not their accounting income, determines their tax burden (Kawor & Kportorgbi, 2014). Thus, the application of diverse tax planning strategies is only advantageous when there is a propensity to minimise taxable income without adversely affecting accounting income (Hoffman, 1961). This is because firms' tax obligations are determined by taxable income rather than accounting income. Hence, companies should intensify their endeavours in tax planning by focussing on reducing the taxable income rather than maximising accounting profit (Akintoye et al., 2020). According to Hoffman (1961), there exists a direct relationship between a company's tax planning efforts and its performance, provided that the tax advantages obtained from these actions exceed the value of the tax expenses (tax savings > tax cost) (Eche et al., 2023).

The other is the agency theory, which is used in explaining the contractual relationship between the principals and the agents (Jensen & Meckling, 1976). In the context of tax planning, the shareholders and the regulators are assumed to be the principals, while the firm's management is the agent. In contemporary corporations, the management assumes the role of the principal, managing the company's affairs and making decisions to maximise the wealth of the shareholders. The relationship between the two parties is referred to as a principal-agent relationship. The propagators of the theory (Jensen & Meckling, 1976) hold that the separation

of ownership and control breeds an agency problem (i.e., conflict of interests). According to Hanlon and Heitzman (2010), the tax choices of a company may effectively represent the perspectives of both management and shareholders where there exists a clear distinction between ownership and control. Tax avoidance activity is contingent upon pursuing distinct objectives in order to satisfy the interests of both management and shareholders. However, studies reveal that managers often use tax avoidance schemes to engage in self-serving behaviour, which goes against the interests of shareholders. Traditionally, shareholders seek to reduce their tax burden by paying delayed taxes and prioritising the appreciation of their shares (Alkurdi and Mardini, 2020; Ariff et al., 2023). Furthermore, the use of corporate tax planning strategies is indicative of agency conflicts due to information asymmetry. Lestari and Wardhani (2015) contended that using a third party is imperative to reduce the potential for agency conflict resulting from tax avoidance schemes. This third party could be the presence of strong corporate governance mechanisms (such as institutional and strategic shareholdings) that serve to oversee the actions of managers, who in turn contribute to the economic prosperity of shareholders (Tackie et al., 2022). In summary, in situations where the assumptions of the TPB theory could not hold, that is, where the expected positive relationship between tax planning and firm performance cannot be established, then the assumptions of the agency theory, which also entails managerial opportunism, can be used to explain the situation.

Conclusion

The study drew its motivation from the lack of convergence concerning the impact of tax planning strategies on firm performance. Of particular interest is the conjecture that the nexus between tax planning and firm performance is dependent on the strategy adopted, either effective tax planning or aggressive tax strategies, both of which lie under the purview of the management in an agency relationship setting. Another view is that the expected positive relationship between tax planning strategies and firm performance is hinged on the strength and effectiveness of internal corporate governance and other external factors. In order to take a stance on these contending schools of thought, which are backed by theory, this study set out to review the impact of selected tax planning strategies on firm performance, with a special focus on thin capitalisation, transfer pricing, capital intensity, and the use of tax havens for profit shifting. The analysis of the reviewed studies showed that some tax planning strategies, e.g., thin capitalisation, transfer pricing, and income shifting to tax, have fallen under the category of aggressive tax planning strategies; others, such as capital intensity, can be classified under the effective tax avoidance schemes. Overall, evidence from the reviewed studies leads to the conclusion that the application of tax planning strategies can be beneficial or disadvantageous to a firm depending on the level of managerial conformity to good corporate governance practices. In other words, tax planning schemes and financial performance are interconnected factors that can significantly impact a company's overall performance.

Recommendations

Flowing from the above conclusions, firms are encouraged to engage in tax-reduction strategies since it can be beneficial for companies to incorporate tax planning into their overall financial scheme for improved performance. However, management needs to ensure that their tax planning benefits reflect significantly in their firm value and shareholders wealth by outweighing the potential costs and associated risks.

Further, since the majority of the tax planning schemes are orchestrated by the multinationals, for which the Chief Financial Officer (CFO) and CEO's play active roles, the stakeholders should be conscious of the attributes relating to CFOs and CEOs, such as equity ownership and tenureship both of which give room for CFO/CEO dominance and managerial

opportunism. Corporate governance reforms should also be tailored around other governance mechanisms relating to multinationals' equity ownership (e.g., foreign shareholding and foreign directorship) which are also potential factors that could determine the choice of tax planning strategies and have implications on different organisational outcomes.

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USAGE PATTERN OF SOCIAL NETWORKING SITES (SNS) BY MARRIED COUPLES IN SOUTH-SOUTH NIGERIA

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Abstract

This study explored the usage pattern of Social Networking Sites (SNS) by married couples in south-south Nigeria., Nigeria. It looked at their promotion of marital boom or doom, focusing on critical issues such as trust, emotional intimacy, infidelity, and divorce. Grounded in Social Exchange Theory, the research employed a survey design to gather data from 385 married SNS users across six states in the region. The findings reveal that platforms like Facebook, WhatsApp, and Instagram play a crucial role in marital communication, with couples spending an average of 3-4 hours per day on these networks. While these platforms foster emotional connections, particularly in long-distance relationships, they can also lead to marital tensions, such as concerns about online infidelity and a reduction in face-to-face interactions. This research underscores both the positive (boom) and negative (doom) effects of SNS usage, highlighting the necessity for couples to engage mindfully with digital spaces to maintain marital harmony. Consequently, it is recommended that couples in this region cultivate healthier and more transparent communication patterns regarding their social networking site usage to minimize potential marital issues, such as infidelity and divorce.

Keywords: Social networking sites, communication behaviours, marital dynamics, married couples, South-South Nigeria

Introduction

In recent decades, the rapid evolution of technology has fundamentally transformed various dimensions of human experience, with social networking sites (SNS) at the forefront of this transformation. Initially regarded as platforms for social interaction, entertainment, and information dissemination, SNS are increasingly becoming essential components of personal relationships, particularly in the context of marital bonds. Married couples, in particular, have experienced profound influences from these digital environments. The omnipresence of platforms such as Facebook, Instagram, and WhatsApp are reshaping how couples communicate, connect, and address the complexities of intimacy, trust, and emotional support within their partnerships. This widespread usage necessitates a thorough examination of the impact of SNS on contemporary marital dynamics, emphasising both the opportunities and challenges these platforms present regarding marital satisfaction and communication.

Emerging research has begun to illuminate the intricate relationships between SNS utilisation and marital behaviour, illustrating that these platforms function not only as tools for external connection but also as facilitators of intra-couple communication. While some studies indicate that SNS can enhance marital relationships by fostering positive interactions and supporting shared interests, other findings highlight potential risks, including jealousy, surveillance, and emotional distancing (Umar, 2025). These conflicting results underscore the necessity for a more nuanced analysis of how patterns of SNS engagement affect marital satisfaction, conflict resolution, and overall communication quality.

The growing prevalence of SNS as channels for connection and self-expression introduces novel relational dynamics that are often mediated by digital interactions. For example, the ease with which partners can access each other's digital footprints, through likes, comments, and shared content, can create both a sense of transparency and, paradoxically, an increased potential for mistrust. The researcher therefore examines the usage pattern of Social Networking Sites (SNS) by married couples in south-south Nigeria

Statement of the Problem

The role of SNS in contemporary marital dynamics is particularly salient within the context of evolving communication norms. As more couples engage with SNS not only to maintain connections but also as a means of public and private expression, the nature of intimacy, privacy, and boundary-setting in relationships has undergone significant transformations (Opeyemi, 2023). The widespread integration of SNS has compelled couples to renegotiate traditional communicative practices, with many choosing to address marital issues or seek validation through these platforms. While SNS may provide unprecedented opportunities for connection, they also prompt essential questions regarding digital boundaries, the emotional ramifications of online interactions, and the extent to which digital behaviours reflect deeper relational trends.

In light of the complexities surrounding social networking sites (SNS), it is imperative to analyse their role in modern marriages through a comprehensive framework. Previous studies have explored the influence of SNS on various dimensions of personal relationships, including marriage. Research conducted by Fox and Warber (2014) examined how couples leverage SNS for relationship maintenance, highlighting communication behaviours such as sharing significant life events and engaging in online conflict resolution. While SNS offer favourable communication opportunities, they concurrently present challenges that may lead to jealousy and relationship dissatisfaction, particularly when one partner engages in secretive behaviours online. Despite these contributions, a gap persists in understanding the specific usage patterns of SNS among married couples and how distinct types of online interactions influence marital communication and overall dynamics. This paper addresses this gap by rigorously analysing the usage patterns and communication behaviours of married couples on SNS, focusing on both the positive and negative implications for contemporary marital dynamics.

Research Objectives

The objectives of the study were:

1. Examine the prevalence of Social Networking Sites (SNS) usage among married couples in South-South Nigeria.
2. Investigate the impact of SNS usage on marital interaction among married couples in South-South Nigeria.
3. Find out the relationship between SNS usage and the risk of infidelity and divorce among married couples in South-South Nigeria.

Review of Concepts

Overview of Marital Dynamics

Marital dynamics refer to the diverse interactions between spouses in a marital relationship, influencing the quality and stability of the relationship (Ezenna, 2023). According to Clulow (2022), marital dynamics involve the interplay of various factors, including communication patterns, conflict resolution strategies, emotional intimacy, and power dynamics.

Understanding marital dynamics is essential for developing effective strategies to promote marital satisfaction, stability, and overall well-being.

Marital dynamics can also be understood as the ways in which couples navigate and negotiate their relationships, including the distribution of power, resources, and emotional labor (Okenmuo, 2023). As noted by Okenmuo (2023), marital dynamics are shaped by various factors, including societal norms, cultural expectations, and individual personality traits. The authors argue that understanding marital dynamics is crucial for promoting healthy and equitable relationships.

Marital dynamics involve the intricate and reciprocal interactions between spouses, influencing the development and maintenance of their relationship (Olamide, 2024). According to Olamide (2024), marital dynamics are characterized by a complex interplay of cognitive, emotional, and behavioral factors, including attachment styles, conflict resolution strategies, and emotional regulation. The authors suggest that understanding marital dynamics is essential for developing effective interventions to promote marital satisfaction and stability.

Concept of Social Networking Sites (SNS)

Social networking sites are online platforms that enable users to create and maintain relationships, share information, and interact with others in a virtual environment (Zakari, 2023). These sites, such as Facebook, Twitter, and LinkedIn, provide users with a range of features and functionalities, including profiles, friend lists, and messaging systems, that enable them to connect with others and engage in online social interactions.

Social networking sites can be defined as web-based services that allow individuals to create a public or semi-public profile, articulate a list of other users with whom they share a connection, and view and traverse their list of connections and those made by others (Nwankwo, 2021). Social networking sites have become an integral part of modern life, with billions of users worldwide using them to connect with others, access information, and engage in online activities.

Social networking sites refer to online platforms that enable users to create and share content, participate in online communities, and engage in social interactions with others (Fatukasi, 2024). These sites have transformed the way people communicate, interact, and share information, and have become a key driver of modern culture and society.

Literature Review

SNS Usage Patterns among Married Couples

Social networking sites are widely used by individuals across various demographic groups, including married couples. Studies indicate that married individuals often utilize SNSs to maintain personal connections outside of their marital relationships, which can influence dynamics between spouses. A significant portion of married couples, particularly those in younger age brackets, engage in SNS activities such as Facebook, Instagram, and WhatsApp (Uzor, 2025). SNSs enable couples to stay connected throughout their daily routines, providing a means for informal communication (Lamido, 2024). For instance, many couples share personal updates, photos, and thoughts via these platforms, often presenting an idealized version of their lives. This practice can have both positive and negative implications; it may foster intimacy but can also lead to unrealistic expectations about marital satisfaction (Adams & Nelson, 2021).

While married couples use SNSs to keep in touch with friends and family, this can also create feelings of emotional distance between partners, as one spouse may feel neglected or excluded (Osemeke, 2024). Recent studies suggest that SNSs are becoming platforms for couples to engage in new forms of connection, including shared online activities such as gaming or collaborating on creative projects. This trend indicates that SNS usage patterns among married couples are evolving beyond simply socialising with others; they are also about fostering shared experiences in a digital space. For example, mobile apps designed to promote relationship engagement, such as couple-specific messaging platforms, show promise in enhancing connection and communication among partners (Osemwense, 2024).

SNS Influence on Marital Intimacy

Marital intimacy, which includes emotional, physical, and psychological closeness, is another critical aspect affected by SNS usage. On one hand, SNSs can enhance intimacy by allowing couples to share personal thoughts and moments that might not be communicated in face-to-face settings. Research by Omale (2024) suggests that SNSs enable couples to engage in new forms of emotional support, particularly when they are physically apart. For instance, couples who communicate through private messages or share memories via posts may experience a heightened sense of connection, even without physical proximity. Excessive utilisation of social networking sites (SNS) can have detrimental effects on marital intimacy. Continuous engagement with SNSs often substitutes meaningful face-to-face communication, resulting in partners feeling emotionally distant.

On the other hand, a doom can equally be indicated when SNS become more troublesome to marital harmony much more than benefitting. Several studies indicate that the time and energy allocated to SNSs can diminish opportunities for in-person interactions, leading to reduced physical intimacy and emotional availability (Peterson & Allen, 2024). Research conducted by Williams and Lee (2023) reveals that couples who invest more time on SNSs frequently report lower levels of marital satisfaction, as the omnipresence of digital devices interferes with their ability to connect in traditional and intimate manners. An additional dimension of SNS impact on intimacy pertains to the formation of relationships outside the marriage. The capability to establish connections through SNSs poses a threat to marital intimacy when one partner cultivates a close relationship with an individual outside the marriage, which may ultimately result in emotional or physical infidelity (Otakpor, 2024). This breach of boundaries can elicit feelings of betrayal or insecurity within the marital unit, undermining the trust and emotional connection that are essential components of intimacy.

SNS and Marital Conflict

While SNSs can function as tools for enhancing connection, they also introduce novel forms of conflict within marriages. The digitisation of social interactions facilitates behaviours that may generate tension, such as liking provocative images, making inappropriate comments on posts, or engaging in online flirtations (Samsudeen, 2024). These behaviours can compromise marital trust and create power struggles, particularly when one partner perceives that their emotional needs are being disregarded in favour of online interactions. Research indicates that conflicts arising from SNS use frequently stem from perceived breaches of trust, especially when one partner feels that the other is concealing aspects of their online activities or fostering inappropriate online relationships (Lee & Park, 2024).

The tendency for individuals to present idealized depictions of their lives on SNSs may contribute to unrealistic expectations and dissatisfaction within marriages (Brooks & Wilson, 2023). Couples who engage in comparisons of their relationships to the online portrayals of others may experience disillusionment or resentment, thereby exacerbating conflict. The role

of social networking sites in contemporary marital dynamics is complex and multifaceted. Although SNSs have the potential to enhance communication and intimacy, they also present challenges related to trust, emotional neglect, and conflict.

Theoretical Framework

Social Exchange Theory (SET)

Social Exchange Theory (SET) is founded on the principle that human relationships are established and sustained through a rational assessment of costs and benefits. Derived from economics and behaviourist psychology, SET posits that individuals endeavour to maximize rewards, such as love, support, and companionship, while minimising costs, which can include effort, time, and emotional strain. This theory suggests that social interactions manifest as exchanges in which individuals evaluate the value of their relationships by comparing them against alternatives and reflecting on prior experiences. A critical component of SET is the "Comparison Level" (CL), which serves as a standard for individuals to assess the outcomes of their interactions, as well as the "Comparison Level for Alternatives" (CL_{alt}), which pertains to the perceived benefits associated with alternative relationships or courses of action.

SET underscores the significance of reciprocity, power dynamics, and interdependence in shaping the stability and satisfaction of relationships. This framework facilitates a nuanced exploration of how the emergence of social networking sites (SNS) has transformed marital relationships, particularly in terms of communication and interaction patterns. Situated within the context of Social Exchange Theory, this study investigates the complexities inherent in modern relationships, focusing on how couples navigate their emotional, social, and informational exchanges through online platforms. Originally developed by sociologists George Homans and Peter Blau in 1958, Social Exchange Theory asserts that human interactions, including those within intimate relationships, are driven by the pursuit of rewards and the avoidance of costs (Preye, 2023). In the context of marriage, SET indicates that partners evaluate both the benefits (such as emotional support and companionship) and the costs (including conflict and jealousy) associated with their interactions.

This cost-benefit analysis extends to couples' engagement with SNS, which offer both positive and negative outcomes. For instance, SNS can facilitate enhanced communication and emotional connection while also posing risks such as misunderstandings, privacy concerns, and external influences, including interactions with third parties. Within the framework of married couples, the utilisation of social networking sites presents itself as a double-edged sword. On one hand, SNS allow couples to maintain regular contact, share daily experiences, and express affection in ways that are particularly advantageous for long-distance relationships or during periods of heightened busyness. From a Social Exchange perspective, these platforms serve to increase relational rewards by providing avenue for emotional expression and shared experiences, thereby enhancing marital satisfaction, even in the absence of physical proximity.

This consideration aligns with SET's assertion that relational costs may arise from perceived inequalities or the introduction of third parties into private interactions, manifesting in phenomena such as online jealousy or emotional affairs facilitated by SNS. Thus, the theory assists in contextualising the balance of rewards and costs that married couples face when incorporating SNS into their relationship dynamics. Moreover, the paper analyses

communication behaviours among married couples, concentrating on the manner in which SNS shape interaction patterns.

The convenience and immediacy of digital communication have the potential to alter traditional marital roles and expectations, as spouses may engage in more frequent yet less substantive communication. This shift may present challenges related to the depth and quality of interactions. Social Exchange Theory provides a framework for understanding these changes as couples evaluate the rewards of connectivity against the costs associated with superficial or disrupted communication. By applying Social Exchange Theory, this paper situates the use of SNS within a broader theoretical context, highlighting how couples navigate a complex exchange of emotional support, intimacy, and potential relational costs. By assessing usage patterns and communication behaviours, the study offers valuable insights into the evolving dynamics of modern marriages in the digital age.

Methodology

This study employed a survey research design, recognized for its capacity to capture a diverse array of perspectives from married couples in South-South Nigeria regarding their usage patterns and communication behaviours on social networking sites (SNS). The study population is derived from the South-South Geo-Political Zone of Nigeria, which encompasses six states which respectively have populations of: Edo (4,351,186), Rivers (7,010,661), Delta (5,540,945), Akwa Ibom (5,300,121), Cross River (3,905,882), and Bayelsa (2,302,940) making the total population 28,411,735 (National Population Commission, 2017). The sample size for this study was determined utilising the Australian Sample Size Calculator, which indicated a need for a total of 385 respondents.

A multi-stage sampling technique was adopted to ensure that the sample accurately reflected the population. The initial stage involved purposive sampling to select the capitals of the six states, as these locations were anticipated to have a higher concentration of SNS users compared to rural areas. In the subsequent stage, a proportionate stratified sampling technique was utilized to allocate respondents based on the population size of each state. It should be noted that 71 respondents were selected from Rivers, 65 from Delta, 59 from Edo, 60 from Bayelsa, 70 from Akwa Ibom and 60 from Cross River State. This method ensured that each state was adequately represented in accordance with its population size. The third stage involved the random selection of one street from each capital's Central Business District (CBD) using a simple random technique. In the fourth stage, systematic sampling was implemented, whereby every fifth building was selected from the designated street. Finally, in the fifth stage, a simple random sampling method was utilized to identify individuals who met specific demographic and psychographic criteria, specifically, married, educated and socially exposed individuals who were active users of SNS platforms.

Data were collected utilising a structured questionnaire designed to capture comprehensive demographic information from respondents as well as their patterns of social networking site (SNS) usage. The primary data collection process was facilitated through the distribution of the questionnaire on face-to-face basis.

Data Presentation

TABLE 1: Distribution of respondents according to SNS mostly used by spouses

S/N	ITEMS	AGREED A	DISAGREED D	UNDECIDED U
1	I have Facebook/Facebook messenger account	311 (85%)	46 (13%)	7 (2%)
2	I have Whatsapp account	295	55	14

		(81%)	(15%)	(4%)
3	I have IMO account	68	249	47
		(19%)	(68%)	(13%)
4	I have Twitter account	152	194	18
		(42%)	(53%)	(5%)
5	I have 2GO account	73	264	27
		(20%)	(73%)	(7%)
6	I have Instagram, Face time, Snapchat, Flickr, Hangout, Badoo account	288	13	63
		(79%)	(4%)	(17%)

Source: Field Study, 2025.

The data presented in Table 1 demonstrates the prevalence of various social networking service (SNS) platforms among married couples in South-South Nigeria. Notably, Facebook (85%) and WhatsApp (81%) are identified as the most widely utilized platforms among the surveyed respondents, indicating that these services serve as the primary modes of communication for married individuals.

TABLE 2: Duration of SNS Usage and Marital Communication

S/N	ITEMS	AGREED	DISAGREED	UNDECIDED
1.	I spend between 8-10 Hours daily on SNS	39 (11%)	271 (74%)	54 (15%)
2.	I spend between 5-7 hours on SNS	44 (12%)	252 (74%)	68 (19%)
3.	I spend between 3-4 hours daily on SNS	324 (89%)	26 (7%)	14 (4%)
4.	I spend between 1-2 hours daily on SNS	304 (84%)	19 (5%)	41 (11%)

Source: Field Study, 2025.

Table 2 provides critical insights into the duration of time couples allocate to SNS usage on a daily basis. The most prevalent response, indicated by 89% of couples, is that they spend 3-4 hours per day on SNS, which constitutes a significant portion of their daily activities. This high level of engagement raises concerns regarding its potential impacts on marital communication and interaction.

TABLE 3: The SNS attributes that influence Infidelity and Divorce among spouses

S/N	ITEMS	AGREED	DISAGREE	UNDECIDED
1.	Hiding of users' online affair mate by SNS can influence the heightening of Infidelity and Divorce among spouses	243 (67%)	73 (20%)	48 (13%)
2.	Easy access SNS grants users to other connections and probably to engaging in extra marital online affairs and the opportunity to access SNS at anytime	211 (58%)	72 (20%)	81 (22%)

	and at anyplace			
3.	The opportunity SNS offer to the users to start and continue in an affairs without spending much money like in real life affairs can influence the heightening of Infidelity and Divorce among spouses	241 (66%)	86 (24%)	37 (10%)
4.	The opportunity SNS offer the users to derive extra-marital online sexual satisfaction as if they are in real world situation can influence the heightening of Infidelity and Divorce among spouses	196 (54%)	66 (18%)	102 (28%)

Source: Field Study, 2025.

The findings presented in Tables 3 provide significant insights into the impact of social networking sites (SNS) on infidelity and divorce within marital relationships, highlighting the more troubling aspects of these platforms. A substantial proportion of respondents (67%) indicated that concealing online affairs through SNS can exacerbate marital tensions, potentially leading to infidelity.

Discussion of Findings

The findings derived from this study indicate various patterns regarding SNS usage among spouses, which can exert both positive and negative impacts on their marital relationships. This is indicative of the fact that SNS is capable of producing both doom or boom, depending on the usage patterns among couples and their communication behaviours. For instance, Table 1 demonstrates that Facebook and WhatsApp rank as the most popular SNS platforms among married couples, with 85% and 81% of respondents, respectively, indicating account ownership on these platforms. In contrast, less utilized platforms such as IMO and 2GO have considerably lower usage rates (19% and 20%, respectively). This observation, consistent with Bazarova & Choi (2023) suggests that platforms with higher engagement levels, like Facebook and WhatsApp, serve as primary venues for social exchanges within marital relationships, offering opportunities for both positive and negative interactions.

According to the Social Exchange Theory (SET), if these platforms facilitate rewarding social exchanges, couples may perceive them as advantageous assets to their marriage, enhancing communication and emotional connectivity. The duration of SNS usage, as illustrated in Table 2, also plays a significant role in influencing marital dynamics. A majority of respondents (89%) report spending between one and four hours daily on SNS, indicating a relatively moderate engagement level. In alignment with Social Exchange Theory and Brooks & Wilson (2023), this time spent online represents both an opportunity and a cost, offering a chance to improve communication while simultaneously posing a potential cost if it detracts from face-to-face interactions or engenders new avenues for conflict.

More so, Table 3 underscores a more concerning facet of SNS usage, particularly, its capacity to influence infidelity and divorce. The survey findings indicate that a substantial percentage of respondents agree that concealing online affairs (67%), easy access to alternative connections (58%), and opportunities for engaging in online extramarital affairs (66%) are factors that may exacerbate marital difficulties. These findings corroborate Social Exchange Theory, which suggests that when the costs associated with marriage (such as emotional dissatisfaction and unmet needs) surpass the perceived rewards, individuals may pursue rewards externally, including through extramarital online relationships. Furthermore, the availability of opportunities for spouses to engage in online affairs with minimal financial or

physical commitment illustrates the various costs implicated in SNS usage. This lowered threshold for "exchange" may render infidelity more accessible and appealing.

As a result, marriages may experience a decline in satisfaction, leading to an increased risk of divorce when the perceived costs of remaining in the marriage outweigh the benefits, as predicted by SET and as also suggested by several scholars such as Okafor and Anyanwu (2023) and Ajiboye (2017). This paper articulates the findings within the context of Social Exchange Theory, elucidating that the utilisation of SNS in marriage can yield both rewards and costs. While these platforms provide convenience and emotional benefits, their potential to facilitate infidelity and increase the perceived costs of sustaining a healthy marital relationship warrants careful consideration (Okeke & Nwosu, 2024). Spouses engage in ongoing evaluations of the benefits and risks associated with SNS usage, and when the costs (including emotional dissatisfaction, temptation, and secrecy) surpass the rewards (such as emotional support and connection), significant marital issues may arise, including infidelity and divorce and these findings align with those of other researchers such as Oluwatayo & Adu (2023). Therefore, the usage of SNS among married couples in South-South Nigeria should be regarded as an integral component of an ongoing social exchange process, wherein individuals continually assess the equilibrium between their rewards and costs in both online and offline marital interactions.

Conclusion and Recommendations

Based on the findings, it is concluded that social networking sites (SNS) play a dual role in shaping the marital dynamics of couples in South-South Nigeria, presenting both opportunities for enhanced communication and risks that can lead to marital conflict and infidelity. The study reveals that while platforms like Facebook and WhatsApp facilitate emotional connections and allow couples to maintain regular communication, they also introduce challenges that can undermine trust and intimacy. The significant amount of time couples spent on these platforms—averaging 3 to 4 hours daily—highlights the need for mindful engagement with digital spaces to ensure that SNS usage does not detract from in-person interactions and emotional closeness.

In light of the study's findings, it is recommended that:

- i. couples in South-South Nigeria cultivate healthier and more transparent communication patterns regarding their engagement with social networking sites (SNS) in order to address potential marital issues such as infidelity and divorce.
- ii. Given the significant proportion of respondents actively utilising platforms like Facebook, WhatsApp, and Instagram, couples should engage in candid discussions about the impact of SNS on their relationships, particularly with respect to the anonymity and ease of secretive behaviours that may heighten the risk of infidelity.
- iii. Additionally, couples need to implement time limits on SNS usage to help reduce excessive online engagement (noted with 89% spending 3 to 4 hours daily), thereby allowing for increased real-life connection and intimacy with their spouses. Moreover, couples may benefit from participating in counseling or workshops focused on digital relationship management to foster a mutual understanding of the potential risks and benefits associated with SNS usage, ultimately fortifying their marital bonds.

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IMPERIAL AFRICA AND THE “BIG STICK” DIPLOMATIC APPROACH OF EUROPE TO THE PARTITION AND ACQUISITION OF TERRITORIES

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Abstract

Studies on Euro-African relations are legion. However, scholars should not claim that academic investigations on this phenomenon have been concluded. This study adds to the existing body of knowledge on the subject. It focuses on imperial Africa and the “Big Stick” diplomatic approach of Europe to the partition and acquisition of territories. In doing so, it identifies the factors that propelled the European incursion into Africa ranging from economic, strategic, political, and social factors. An analysis of the African reactions to Europeans in Africa has been done. The study deduces that Africans reacted both peacefully and violently and that their reactions varied based on the areas and the exigencies on the ground. In some instances, Europeans defeated Africans and in other instances, Africans defeated the Europeans. The study discusses the “Big Stick” diplomatic strategies employed by the Europeans in partitioning and acquiring African territories with an emphasis on bilateral trade relations. The study concludes that the use of force or violent measures was the hub of the Europeans’ diplomatic approach to the acquisition of African territories for their selfish interest.

Keywords: Imperial Africa; Europe; “Big Stick” Diplomatic Approach; Partition; Acquisition; Territories

Introduction

Africa has developed affinities with the Europeans for thousands of years. Interactions between Europe and Africa have changed over time in both pattern and frequency (Boahen, 2012). For example, the Phoenicians and ancient Egyptians dealt with several kingdoms and empires, including Axum and Nubia, between 3000 BC and 500 CE (Shillington, 2012). These early exchanges prepared the way for later European engagement in Africa. Herodotus and Julius Caesar were among the Greek and Roman explorers who visited Africa and wrote about its riches, topography, and culture (Braudel, 1995). Portuguese explorers like Prince Henry the Navigator started to explore Africa's west coast, establishing trade posts and forts (Diffie & Winius, 1977). Arab traders and Islamic missionaries travelled to Africa during the medieval

period (500–1500 CE), establishing trade routes and spreading Islam (Levtzion & Pouwels, 2000).

In a similar vein, Hallet (1997) and Erim (2017) revealed that communication between European and Negro Africa had been established by 1500. The Iberian Peninsula was effectively liberated from Islam and the Moors in the fifteenth century by the Christian populations of Spain and Portugal. When the Portuguese took control of the Moroccan port of Ceuta in 1415, the two countries expanded the conflict into Africa. The last Muslim state in Andalusia, Granada, was subjugated by the Spanish in 1492. Additionally, most of the Maghrib's ports were taken over by the Portuguese and Spaniards throughout the following fifty years. But soon after, Turkish naval might drove the Spaniards out of the eastern and central Maghrib. And thus, throughout a string of operations in North Africa from 1509 to 1511, Oran, Bougie, and Tripoli became Spanish tributaries. The Iberians' attempt to conquer Morocco was unsuccessful, despite their early victories along the coast. The Portuguese were driven from the majority of their coastal strongholds by a nationalist movement that began in Morocco at the end of the 16th century (Hallet, 1997; Erim, 2017; Abun-Nasir, 1969).

Iiffe (1999) highlights that in the final twenty years of the 1800s, European countries divided Africa among themselves quickly and easily. But putting the divider in place on the ground was everything but quick or easy. In contrast to India, for example, public opposition to invasion was fiercer in Africa due to the widespread ownership of weapons, long-standing antipathy to political authority, and codes of military honor. Colonial administrators had many of the same challenges.

Despite the many challenges they faced, European colonizers were often successful in building states in Africa. This was a remarkable achievement, given the continent's volatile politics, sparse population, and difficult geography. The colonizers' success was due in part to their access to advanced technologies. Better weapons gave them a military edge, allowing them to overpower local resistance. Mechanical transportation enabled them to move people and goods more easily, facilitating the establishment of colonial administrations. Literacy allowed them to communicate and administer their colonies more effectively, while medical knowledge helped them survive and thrive in Africa's challenging environment.

The European conquest of Africa had two major consequences. As a result of colonization, each African colony developed its unique economic system, which was designed to produce specific goods for the global market. This economic structure remained in place throughout the 20th century. As a result, a significant contrast emerged between the two regions of Africa. In Western Africa, local peasants were primarily responsible for production, whereas in Eastern Africa, European capitalists dominated the production process. This distinction persisted for many years, shaping the economic landscape of Africa. Furthermore, the demographic of Africa was significantly impacted by European encroachment (Iiffe, 1999).

Through the following steps, Europeans conquered areas in Africa and divided the continent among themselves. After exploring and charting the continent, Europeans established economic ties with African kingdoms and empires, marking the beginning of the European colonisation of Africa. European nations started colonising and annexing African lands as their influence grew, and frequently used military force to crush local opposition. African resources were exploited and colonial administrations were established as a result of the official division of Africa among European powers during the Berlin Conference of 1884–1885. African societies were gradually subjected to European colonists' political, economic, and cultural systems, which permanently changed the continent (Boahen, 1987).

The term "effective occupation" was used to define the state in which ownership was deemed debatable. Throughout these procedures, the entirety of Africa was considered terra nullius, or "no man's land," and according to current international law, was available for

acquisition by any method (Flint, 1966; Igali 2014). By the early 20th century, nearly all of Africa had been taken over by European powers. These powers used different methods to conquer the continent. However, two countries managed to resist colonization: Ethiopia and Liberia. Ethiopia successfully fought off an attempt by Italy to take control, while Liberia had been established earlier by the United States as a home for freed slaves (Hargreaves, 1974; Igali 2014).

This paper has focused on the “Big Stick” diplomatic approach employed by the Europeans during the partition and acquisition of territories of Imperia Africa. The study explores the European incursion into Africa to accomplish this. African reactions to European presence in Africa are also examined. The diplomatic strategies used by Europeans to accomplish their goal of pacification come next, followed by a summary of the key points raised in the study.

European In-Road into Africa

The preceding segment attested that contact between Africa and other continents has long been established. This part of the paper argues that several factors were responsible for the rush by the European countries to establish colonies in Africa; not only to trade but to acquire territories in Africa. For this paper, these have been grouped into economic, strategic, political, and social factors.

Economic Factors

The quest for raw materials for manufacturing industries in Europe: Early in the 19th century, the Industrial Revolution was started in Europe. The revolution involves the creation and application of machines to manufacture goods that were previously manufactured by hand. By the middle of the century, it had moved from Great Britain to France, Germany, Russia, and Italy. These different nations needed raw resources like cotton, palm oil, rubber, and ivory as the revolution gained traction to maintain output in their industrial sectors. The tropical areas of Africa are home to an abundance of these raw minerals. As a result, the industrialised European nations turned their attention to the continent (Keltie, 1989).

The search for markets: Markets are also necessary for industrialised European nations to sell their manufactured goods. Goods were created more than were needed in the 19th century since many European nations had become industrialised. The Europeans needed overseas markets for the sales of their manufactured products. European nations were forced to look to Africa for potential markets, especially in regions where their citizens were involved in trade. Every European nation whose citizens traded in Africa adopted monopolistic policies by imposing taxes meant to prevent other nations from dealing in its spheres of influence as the hunt for markets grew extremely competitive. The citizens that this policy negatively impacted then begged their governments to step in (Chikendu, 2010).

Traders from Britain, France, and Germany divided their own countries for protection since they were not pleased with the trade monopoly and high productivity tariffs of competing traders. As a result, when other European nations targeted British businessmen with protective tariffs in 1870, the latter declared that they could only conduct business freely under their national flag. Similarly, German entrepreneurs from Hamburg, Bremen, and other industrialised German towns pushed their home governments to establish colonies in Africa so they could do business without interference from other Europeans. Therefore, it became essential for any European nation looking to gain a monopoly on commerce to purchase colonies in Africa. Consequently, acquiring colonies in Africa came to be regarded as a fundamental tenet of industrialised European nations. Statements made in the 1870s by a few

European leaders support this idea. For instance, German Chancellor Otto von Bismarck stated in 1871 that the colonial strategy meant opening up new markets for German industry, boosting commerce, and creating a new arena for German activity, culture, and wealth. A comparable one was held by Jules Ferry, the French prime minister from 1883 to 1885. He agreed that industrial strategy gave rise to colonial policy (Oguntomisin, 2017).

Investment of surplus capital: Hobson and Lenin's notion of economic imperialism was widely accepted by Europeans. As a result, they looked to construct empires whose economies they could control. During their 19th-century visits to Africa, European missionaries and traders recognised and emphasised the continent's raw materials, markets, and economic resources, which could be used for exploration and capital investment (Hobson, 1938; Lenin, 1933). As a result, the Europeans put some measures in place to take advantage of the financial prospects in Africa for the development of their Metropolitan industries in London.

Some have suggested that because Europe spent more in Asia and America than in Africa, the requirement for capital investment does not fully account for Europe's incursion into Africa. Not that it is disputed that the European interest in the continent may have resulted from one or more of these reasons. It is noteworthy because at this time, European attention was focused on the region's potential for economic growth. For instance, Europeans believed that Africa had the world's greatest treasure trove when they discovered the biggest gold mine in the world in the Katanga region of the Democratic Republic of the Congo in 1886. With this idea in mind, no country in Europe wished to fall behind in the competition to take use of the continent's untapped resources. Thus, it is reasonable to say that economic factors primarily drove European interest in Africa in the early decades of the 19th century, without compromising other explanatory indices that will be emphasised below.

The Strategic Factor

In an attempt to strategically seize Africa's undiscovered wealth, a few European nations annexed unprofitable provinces. For example, France purchased large swathes of arid territory in Africa. Therefore, the rush to conquer African territory may not have been motivated solely by the desire to find untapped riches. Whether or not these regions of Africa held undiscovered riches, European powers learned that these territories were strategically important for defending their political and economic interests elsewhere in the world. The Suez Canal in Egypt, the Cape of Good Hope in South Africa, the Strait of Gibraltar in North Africa, and the Islands at the mouth of the River Senegal (St. Louis, Goree, and Rufisque) are a few of these locations. Europeans seized the territories in which these areas were located in Africa. For instance, Britain invaded Egypt in 1882 to seize control of the Suez Canal, which was vital to safeguarding its political and economic interests in the West Indies and India. Oguntomisin (2017:9) asserts that:

When the canal became operative in 1869, it became the shortest route from Europe to India and the far Eastern countries. In the same vein, Britain extended its political influence to Sudan and the lower stretches of the River Nile to protect its economic interests in Egypt, Britain did not want any African or European powers capable of building dams on the lower Niger or its tributaries to the detriment of its economy in Egypt. This was the main reason for Britain's acquisition of Sudan, Kenya and Uganda.

The aforementioned indentation indicates that the Europeans were envious of each other in an attempt to conquer African territory. The British skillfully prevented other nations from building dams that would have harmed Egypt's economy to establish a monopoly of economic dominance.

The Political Factor

The need to maintain the balance of power in Europe: Due to the rise of nationalism in the second half of the 19th century, Europe had reached a saturation point for the growth of European powers. All of the little entities or areas that the European powers had annexed or altered to preserve the balance of power had united to become countries. The *Risorgimento*, for instance, was driven by a strong sense of national identity and culminated in "Italia Farad a se." Under the dynamic leadership of Mazzini and Garibaldi, this movement instilled a spirit of unity into numerous Italian principalities during the final quarter of the 19th century, ultimately leading to the emergence of Italy as a nation. Comparably, between 1866 and 1870, the union of its several principalities gave rise to the country of Germany (Oguntomisin, 2017:9). Due to these developments, European countries began looking outside to fulfill their desire for territorial expansion. Thus, while Britain, France, and Germany focused on Africa, Russia shifted to Central Asia.

Prestige: The idea that a country's greatness hinged on how many lands it conquered abroad was fueled by the nationalism that swept through Europe at this time. It was often thought that Britain's foreign holding of colonies or territories served as a barometer of first-class European powers, contributing to its rise to prominence. To corroborate this, Olatunbusun (1981:23) puts it succinctly:

The desire for honour and prestige also contributed to the scramble for and partition of Africa. Having achieved unity by 1870, Germany and Italy wanted to show to the world that they were important and that they were to be reckoned with. Bismarck wanted to show Britain that German support was indispensable in her colonial power. Not only that, Germans also wanted a place in the sun. France wanted compensation in Africa to regain her prestige lost to Germany when Germany defeated France in 1870.

France regarded the loss of Alsace and Lorraine, her industrial areas, to Prussia as a great loss for which it must compensate in Africa. Beaulieu, a French writer expressed the feeling of French (as qrt verbatim in Oguntomisin, 2017:10):

Colonisation is for France a question of life and death either France will become a great African power or in a century or two, she will become more than a secondary European; she will count for about as much in the world as Greece and Romania in Europe.

Germany had a strong desire to find a site "in the sun," or in tropical Africa, due to concerns about its national reputation as well as other factors already discussed. The German statesman Bismarck, who had previously claimed that his map of Africa was in Europe, aimed to seize lands in Africa. Naturally, the British would prefer not to fall behind in the conflict. Thus, it employed military force to establish political authority over the Boer Republics of Transvaal and Orange Free State in South Africa between 1874 and 1880 (Oguntomisin, 2017).

Social Factors

The need to solve socio-economic problems: Europe's industrial revolution had an impact on the socioeconomic landscape. Among them was the excess labour force. Many individuals who would have worked by hand became unemployed and impoverished as countries relied more and more on machinery for manufacturing. Approximately one million individuals in England were projected to be unemployed and living in poverty in the 1870s (Oguntomisin, 2017). It

was said that the figure for England and Germany was greater. British political economist Robert Thomas Malthus predicted that Europe's population would rise dramatically throughout the 19th century. One region in the world where Europeans went to sell their excess population was Africa. 51,696,000 individuals are estimated to have moved from Europe to North and South America, Canada, Australia, New Zealand, and other countries between 1846 and 1936 by A.H. Carr-Saunders. One of the continents that European countries looked to accommodate their excess population was Africa. There may be such villages in South Africa, West Africa, and North Africa (Saunders, 1939)

Racialism: Europeans thought Africans were inferior to them during the beginning of the 19th century. They saw their invasion to be a "mission of civilization." Their goals were to end the slave trade and use colonisation to bring civilization and education to the less developed continent, a strategy that some historians, like as Carrington and Cohen, have referred to as "humanitarianism." It was thought that European missionaries, businessmen, and educators might elevate Africa to European status through Christian evangelism, trade, and export crop production. Europeans had no right to claim political dominance over African kingdoms if their ultimate goals upon arriving in Africa had been the dissemination of civilization and the outlawing of the slave trade. Without European nations forcing their will on African governments and kingdoms, Boahen (1966) argues, the slave trade could be outlawed, commerce could be developed, and Christian missionaries could spread their faith.

As a result, what has been referred to as humanitarian endeavours are just covert strategies used by Europeans to subjugate African nations. The works of Richard Burton and Read, as well as the evolutionist beliefs of Herbert Spenser, served as inspiration for the 19th-century European imperial assault on Africa (as qrt by Oguntomisin, 2017:12) had theorized, rather absurdly, that:

Races of the world were at different stages of evolution. The white had evolved the furthest and the black the least. Neither Christianity nor a university degree could overcome inborn African inferiority. Europeans were therefore not only born to rule and dominate commerce, religion, and government, but it was their duty or divine mission to do so since only they could order the world to lead to Universal happiness.

Furthermore, several writers in Europe at the period supported imperialism. Among the most well-known of them is Charles Darwin, who developed the idea of the formation of species based on survival of the fittest in his theory of evolution (1859). The misconception that white people should dominate black people leads white people to construct empires. Such literature had a tremendous impact on the race for and division of Africa (Olatunbosun, 1981; Chikendu, 2010).

African Responses to European Intrusion in Africa

Africans reacted to European encroachment in a variety of ways, but mostly via negotiation and resistance. Africans, limited by their lack of technology, had to choose between fighting and negotiating with the invaders who wanted to turn their paper division into real authority. This was a tactical issue since Africa's goal in both situations was to maintain as much authority and independence as feasible under the available circumstances. Africans have to take their entire circumstances into account while deciding on their methods. Individuals who have previously seen European weaponry may believe that resistance is pointless, as the Asante did in 1896 following their encounter with "guns which hit five Ashantees at once" in 1874 (Iliffe, 1999). It is possible that some were forced to fight.

Due to Bunyoro's history of conflict with both the British-established Buganda Kingdom and the visiting Europeans, British officers in Uganda treated Bunyoro as an inevitable enemy. Ambitious French commanders, steeped in the Algerian tradition that Islam was irreconcilable, dismissed attempts by Tukolor leaders to find a *modus vivendi*. Some communities, like the slave-trading Yao chiefdoms of Nyasaland, who resisted by stockade, could not have hoped to maintain their way of life under European administration even if discussions were feasible. Africans picked up skills from their neighbours fast (Price, 1958). King Lewanika of Buluzi questioned his ally Khama in Bechuanaland land if, in light of his experience with British "protection," he advocated it. King Lewanika accepted Khama's promise that he did, as the counsel Lawanika received from a local missionary, which was another factor in the circumstance.

This area of Central Africa demonstrated the entire intricacy of the historical context in which Africans were forced to make decisions. The effects of the Ndebele, Kolo, and other South African groups' invasion during the first part of the 1800s continued to dominate it. The aggressiveness of White and the militancy of its young warriors drove the Ndebele military kingdom into war in 1893, despite their best efforts to live with Rhodes's Pioneer Column. Some Shona people sided with Whites because they believed they could defend them against the Ndebele attack (Omer-Cooper, 1966). Lewanika's fear of the Ndebele was overshadowed by the instability of his own Lozi monarchy. He had barely regained control from the Kolo invaders in 1864, and his kingdom was still threatened by rebellious subjects, numerous slaves, and rival claimants to the throne. Feeling insecure and fearful for his life, Lewanika declared in 1888, "You don't know them, they're plotting against me." He sought protection from the British, hoping their support would help him defend himself and stabilize his monarchy (Iliffe, 1999).

Similar to the European powers, each had its own hawks and doves, war and peace parties. In several cases, like in Dahomey and Asante, proponents of the two approaches had a history of power struggles. Occasionally, they were essentially at war, as in the case of Buganda, where the smaller protestant party utilised the British troops that came in 1890 as allies to establish its own supremacy against the conservative, Roman Catholic, and Muslim parties. More frequently, opinions were divided by the European suggestion itself. Sekhukhuni, the Pedi monarch, suggested accepting European dominion at a public gathering in 1879 after the British had defeated the Zulu, but he was called a coward and forced to resist. Twelve years later, the Mpondo people, who lived on Cape Colony's northeastern edge, engaged in a civil war over whether or not to oppose the British. Similar agonising disagreements caused division when British soldiers conquered the Sokoto Caliphate in 1900. Every emir chose whether to go to war or submit on his own. Kontagora was a well-armed border chiefdom that was heavily involved in slavery. Zaria opened its gates amidst strained relations with Sokoto. Kano fortified and defended its fortifications, but after the field guns got beyond them, it was unable to muster any opposition. In Sokoto proper, opinions leaned towards withdrawal, negotiation, and resistance (Iliffe, 1999).

It would be naive to assume that "warrior societies" would necessarily fight or that more pacific peoples would automatically negotiate in an environment where goals were so similar and decisions so complicated. In addition to fighting the Orange Free State in the 1850s and 1860s, Sotho also negotiated a British protectorate in 1868, battled the Cape Government in 1880 to stop them from being disarmed, and negotiated the reinstatement of British protection in 1884. In the context of African and European interactions, hawks were typically associated with militarised politics, while doves represented a more peaceful approach. This dynamic played out in various communities, shaping the complex relationships between African and

European sides. The movement's primary concern was whether the circumstances favoured those who were aggressive and militant, known as "hawks," or those who preferred peaceful solutions, referred to as "doves" (Davidson, 1968). The hawks were more frequently found in two specific types of communities: one group consisted of local powerhouses with a strong military presence. Surprisingly, these groups did not always engage with Ibadan, the dominant Yoruba state.

According to Anderson (1968), Sekhukhuni of the Pedi, Labengula, and the Ndebele were unable to persuade their young men to engage in negotiations. In many African societies, military honor and dignity were highly valued, especially among groups that resisted outside control, such as the Mahdists. Other civilizations, particularly those with strong warrior traditions, were often made up of stateless peoples who had never experienced external rule. These groups lived in a state of constant conflict between villages and had their unique cultural ideas about honor and prestige. They were very challenging to subdue as they were frequently elusive and ethereal. For instance, up until 1911, the Boule of Cote d'Ivoire battled the French village by village. The Jola of Senegal, the Dinka of Southern Sudan, and the Igbo of Nigeria were not completely vanquished until the 1920s, 1919, and 1927, respectively. Because of their mobility and fervent Islamic zeal, pastoralist groups such as the Somalis and the Beduins of Libya were even more difficult to deal with due to their statelessness and staunch independence. These societies—the militarily powerful and the stateless—not only fought colonial control with the utmost obstinacy, but they also initiated the largest uprisings against it in the early years (Davidson, 1968).

It was harder to revolt against the colonial authority than to oppose the original conquest, as any insurrection had to be well-organized and widespread to have any chance of success. Because of this, the majority of the commanders of the large-scale armed rebellions were well-established political and military figures in important nations, particularly in those where the original uprising had been tempered and where there were strong colonial demands for labour, land, and taxes, as well as opportune circumstances. Three years after Rhodes's white pioneers defeated the Ndebele of Southern Rhodesia in a conflict in which only a portion of the Ndebele army had participated, the Ndebele staged such an uprising in 1896 (Igali, 2014). Encouraged by the takeover of land and livestock, as well as the fact that there were fewer white police officers present during the James Raid, the Ndebele, led by their most powerful military leaders, organised surrounding Shona clients and subjects who had not taken part in their previous resistance. They then spread the uprising to previously antagonistic Shona Chiefdoms, which now had their reasons for rebellion after besieging Bulawayo. The Ndebele leaders gained significant concessions before agreeing to peace (Iliffe, 1999).

According to Davidson (1968), the years 1870–1900 are typically perceived in Africa as a conflict between European powers vying for dominance. However, in actuality, the conflict between the imperialist nations at this time was far less violent than the battles fought between the colonialists and Africans. He was more forthcoming when he espoused that:

It was the time when tribal and feudal African societies showed the most decisive resistance to colonization; when the Ethiopians defeated the Italian army near Adowa; and the Sudanese crushed the British army near Khartoum; when Zulus gained the victory over the English forces. At the same time it was the period that new forces were rising, and together with the new forms of struggle. This applies to those areas where colonialism had dominated at that time for more than one decade and traditional foundations - tribal and feudal- had been strongly shaken (Davidson, 1988:179).

Southern Africa saw the most progress in this process. Numerous thousands of Africans were employed in European fields, towns, and communities as miners. During this time, forms of struggle that were appealing in other parts of Africa could be observed in Southern Africa. One example is the African Christian struggle against colonisation, which gave rise to sectarian groupings known as "native churches." A group of African voters in the Cape colony called the Association of Electors supported the beginnings of basic national and political awareness. The African Press, which was then published in Cape Colony, performed the same role. The initial, incredibly hesitant attempts to organise working-class movements were also attempted in the 1880s. Around that time, the first feeble political organisation was established, and attempts were made to organise an African workers' strike (Davidson, 1968).

Kabaka Mwanga organised many of the people left out of the colonial Christian order in Buganda and started a rebellion in 1897, but the British and the powerful Christian chiefs put an end to it. Three years later, in 1896, Asante attempted to avenge their failure to repel British occupation by rising up in rebellion. Led by the Queen Mother and military commanders during the King's banishment, they besieged Kumasi for four months until reinforcements put an end to the uprising. In 1917, at a period of wartime grievances and Portuguese vulnerabilities, the Barwe people, a Shona community, successfully restored an old kingdom in Mozambique, sparking the final great uprising that mostly relied on existing political and military institutions (Nyanchoga, Omwoyo, and Nyariki, 2008).

Stateless peoples and small chiefdoms launched numerous local revolts due to the widespread resentment of early colonial rule; however, even when they employed institutions that cut across political boundaries, like the Nyabingi cult, they typically lacked the organisation to pose a threat to European control on the scale attained by the Ndebele or Asante (Nyanchoga, Omwoyo, and Nyariki, 2008). It provided momentum to the secret organisation that orchestrated the Ekumeku resistance to British administration in western Igboland between 1884 and 1910, or to the opposition of German and British domination on the Rwandan-Uganda frontier until 1928 (Afigbo, 1973). Besides, there was the *Maji Maji* rebellion of 1905- 1907 in German East Africa (modern Tanzania), which spread widely among stateless peoples through the leadership of a prophet,

Kinjikitile, who operated within the framework of a territorial religious cult, spoke with the authority of divine possession and distributed water medicine (*maji*) alleged to give invulnerability to bullets. Elsewhere, however, large-scale rebellion by stateless peoples took place only under the Islamic inspiration. The Sudanese Mahdi's revolt against the Egyptian rule had employed the same combination of divine authority and multi-ethnic appeal as Kinjikitile's (Iliffe, 1999:196).

The main Islamic uprising against the early European rule occurred in Niger in 1916–1917, at a period of French weakness and a downturn in the desert economy, when the Tuareg tribes besieged Agades. Only one major uprising in Southern Nyasaland by plantation labourers was motivated by Christianity, and it happened in 1915 under the leadership of John Chilembwe, an African clergyman with American training. His supporters belied the expectations of the millennium and launched a short-lived but brutal attack on their employers, but they were not well-received because there were still few Christians and they were working to strengthen their position within the colonial order—a task that most Africans turned to after an armed uprising was put down (Price 1958).

About 1900, British settlers started infiltrating the Tiv region of Central Nigeria. This time was dominated by three events. The first included the conflict between the British and the

Mbagen in northeastern Tiv, who opposed the establishment of a telegraph line across their land that would have connected Lokoja with Ibi. The second occurred when the Tiv destroyed the Royal Niger Company's station at Abinsi in 1906. The third was a string of British military incursions into Tiv territory from 1906 until 1914. There was fighting after it. The workmen grew connected as they began preparing Tiv area for the poles. The British did not care to investigate the reason behind the attack, supposing that the Tiv were hostile. As a result, they chose to use force to oppose the Tiv. However, the attack had targeted unauthorised access to Tivlands. It was incorrect for the British to think that the Tiv would be quickly defeated. The conflict lasted a long time (Makar, 1994).

Using his one hundred troops, Captain Carroll, the commander of the army unit that accompanied the labourers, decided to conquer the Tiv. He started a series of attacks on the residents of Raav in Mbagwen, using Akwanaja as his base. The Tiv were forced to evacuate after many compounds were set on fire and pillaged (Makar, 1994). When the Tiv returned to work on January 15, 1900, they changed their tactics and assaulted the employees. A British officer named Captain Eaton and a number of men of the West African Frontier Force (WAFF) perished in this firefight. Carroll was forced to retreat as a result, calling for the reinforcement unit that had come from Ibi to stop MacClintock's position. Its efforts, nevertheless, have not yet yielded many fruitful outcomes. Consequently, Colonel Lowry led and despatched a punitive expedition that only succeeded in incurring loss and destruction. The goal was not accomplished. Eventually, the British discredited the strategy they employed to infiltrate Tivland (Makar, 1994).

Diplomatic Means for the Acquisition and Partitioning of the Africa Territories

The strategies employed by Europeans to force African kings to cede their kingdoms and states to them peacefully are referred to as diplomatic measures. The initial strategy was to persuade the leaders of Africa to sign agreements known as treaties of friendship and commerce. Generally, the signatories from Europe and Africa agreed that the European powers and the African kings were engaged in treaties in a friendly spirit to create diplomatic relations through the exchange of political representatives, or ambassadors. They were to participate in bilateral economic endeavours, wherein traders from the European signatory countries were permitted to deal with African governments or kingdoms, frequently with provisions prohibiting the trafficking in slaves: The African signatories committed to ending the slave trade and allowing European missionaries to spread Christianity (a religious clause that is sometimes left out of treaties with Muslim African rulers). When the treaties were signed, Europeans exploited them as diplomatic tools to subjugate African nations.

The ultimate political occupation of the African States or kingdoms with whom the European powers had made treaties was their true goal. Through treaties, they could establish a presence in African countries until they gathered the military and other resources needed for an official annexation and successful occupation. Therefore, the beginning of European political presence in Africa and the creation of unofficial empires was signaled by the dispatch of political delegates, known as consuls. Over time, Europeans breached their treaty duties because they had the means to gain political power over the African republics in which they had an informal political presence (Oguntomisin, 2017).

Most of the treaties negotiated with African monarchs did not result from bilateral discussions between these leaders and emissaries of Europe. In Europe, the treaties were drafted alone. African leaders weren't usually fully informed about what was included in them. All that happened was that they were persuaded to mark the treaties as evidence of their assent. Most of the time, Africans were coerced into signing a paper by Europeans without realising its consequences (Oguntomisin, 2017). In many cases, Europeans were successful in tricking

African kings into signing these contracts that they had drafted on their own. For example, in 1814, Karl Peters was able to persuade African leaders in East Africa to sign treaties of this kind with Germany. Germany obtained what is now Tanzania (previously Tanganyika) based on the treaties (Fadeiye, 2016). The Congolese chiefs were persuaded to sign treaties with King Leopold II and France, respectively, by H.M. Stanley and De Brazza. The British proclamation of protectorate over the region in 1885 was preceded by Consul Hewett's treaties with the monarchs of the Niger Delta states in 1884 (Fadeiye, 2016; Faboyede and Ityonzughul, 2022).

African kings did not, however, always sign treaties without due diligence. A few African kings showed grace and bravery by declining to sign agreements that were written without their approval until they had received a thorough explanation. To appease the ruling class, European operatives would alter consent when such circumstances occurred. For instance, in 1814, King Jaja of Opobo objected to signing a contract with Consul Hewett on behalf of the British unless he defined the word "protection." After receiving assurances that he would continue to lead his people in the same capacity and that the British had no plans to seize his territory, he signed the pact (Alagoa, 1984).

Sometimes, to appease inquisitive African kings, two treaty texts may be written. As a result, there were frequently two distinct narratives of one pact. Here are two instances of treaties of this kind. The first was the agreement that Sheikh Ahmadu of Segou and French officer Galleni signed in 1880. There were two versions of this pact. In the first, which was written in French and did not bear Ahmadu's signature, it was said that Ahmadu had consented to provide "the exclusive protection of France" to the Niger basin that passes through his kingdom. The assertion that Ahmadu had given up that region of the country to the French was not included in the second document, which is written in Arabic and indicates what Ahmadu saw and signed. All it said was that Ahmadu and Galleni had signed a peace and friendship contract (Oloruntimehin, 1971).

However, the French government's political claim to Segou was based on the French text. The second illustration was the 1889 Treaty of Ucciali, which Italy and Ethiopia signed. Although Menelik, the Ethiopian Emperor, signed the Amharic text, which did not include such a claim, the Italy version of the treaty meant that Ethiopia had ceded its independence to Italy. Menelik revoked the pact after learning of the betrayal. The conflict between Ethiopia and Italy in 1895–1896 was brought on by the abrogation (Eluwa, Ukagwe, Nwachukwu, and Nwaubani, 1996).

Therefore, Menelik's imperial goal was to prevent Europeans from invading Ethiopia. He intended to do this by using diplomacy to obtain advanced weapons. As king of Shoa, he had already amassed a sizable collection of weapons from Italy; he yet required more. He so signed the Treaty of Uccialia with Italy in 1889 as a diplomatic gesture. Menelik acknowledged Italian sovereignty over the Eritrean highlands as per the stipulations of this treaty, and the Italians acknowledged Menelik as the Emperor of Ethiopia and consented to grant him access to the sea for commerce via Italian territory. Unfortunately, Menelik did not consider the contract to be binding on him; therefore, it became the basis of contention between him and the Italians. when he saw that a military solution was necessary since the problem could not be resolved peacefully. In 1895, Italy launched an invasion of Ethiopia (Eluwa, Ukagwe, Nwachukwu, and Nwaubani, 1996).

Conclusion

This study argued that the Europeans developed interest and affinities with Africa a thousand years ago. It has shown that in ancient times (3000 BCE-500 CE) the Egyptians and Phoenicians traded with various kingdoms and empires, most notably Nubia and Axum. The

Greek and Roman explorers, like Herodotus and Julius Caesar, traveled to Africa and wrote about its geography, culture, and resources. In the medieval era (500-1500 CE) Arab traders and Islamic missionaries traveled to Africa, establishing the trade routes and spreading Islam. Portuguese explorers, like Prince Henry the Navigator, began to explore Africa's west coast, establishing trade posts and forts. Europe had already made contact with Africa by the year 1500. The paper addressed the European advance into Africa, highlighting the political, geopolitical, social, and economic factors that led to it. Analysis has been done on the African reactions to European encroachment on the continent. The study alluded that, Africans reacted in both calm and violent ways. Their responses differed depending on the location. Regarding the attacks, Africans overwhelmed Britain in some cases (such as the battle of Adowa in Ethiopia) and in other cases, Europeans defeated Africans. There were other instances where there was no winner and no vanquished, like with the Tiv people in central Nigeria. The study dwelt on the diplomatic channels used to acquire and divide African territory. Here, the emphasis was on persuading African monarchs to sign bilateral trade agreements and treaties. According to the study, these treaties came from Europe and were not made between Europeans and Africans. Irrespective of the fact that the "Big Stick" approach was employed by the Europeans in the partition and acquisition of territories in Africa, violence dominated the Euro-African relations during the period under review.

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CREDIT RISK MANAGEMENT AND FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS IN NIGERIA

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Abstract

Deposit money banks are the providers of credit facilities in the form of loans and advances to their customers. The loan and advances with the accrued interest are to be repaid back to the bank by the customer within an agreed period. Failure to repay the loan and advances by the customer may lead to bad and doubtful debt which can affect the financial health, profitability and going concerns status of the bank. This study investigated the relationship between credit risk management practices and the financial performance of deposit money banks in Nigeria, focused on key variables such as Return on Assets (ROA), Return on Equity (ROE), Non-Performing Loans (NPL), Capital Adequacy Ratio (CAR), and Loan-to-Deposit Ratio (LDR). The study used secondary data collected from the annual reports of Wema Bank Plc, United Bank for Africa Plc, and Access Bank Plc for the period 2019 to 2023. The data were analyzed using descriptive statistics, correlation analysis, and regression models to explore the impact of credit risk management on bank profitability. The findings revealed a significant negative relationship between CAR and profitability indicators like ROE, with a coefficient of -5.051 ($p = 0.044$) for CAR and -2.662 ($p = 0.031$) for LDR. The study suggests that effective credit risk management, including managing NPLs and LDR, plays a crucial role in enhancing financial performance. The study recommended that banks optimize their credit risk management practices by balancing CAR and LDR, reducing NPLs, and adopting advanced credit risk assessment tools. Policymakers and regulators are also encouraged to strengthen governance frameworks to ensure better management of credit risks, which will contribute to improving the overall financial health and profitability of the Nigerian banking sector.

Keywords: Capital adequacy ratio, Loan to deposit ratio, Non-performing loan ratio, Return on assets, Return on equity

Introduction

Credit risk is an essential part of banking operations because it has a direct impact on banks' stability, sustainability and financial success. The possible loss resulting from a borrower's failure to meet contractual financial commitments is referred to as credit risk (Yanenkova et al., 2021). For banks to continue to be profitable and able to sustain economic growth, this risk must be effectively managed. Credit risk has become especially important for Nigerian deposit money banks because of the country's unstable economy, erratic oil prices, and ongoing problems with loan defaults and non-performing loans (NPLs) (Saliba et al., 2023).

The stability of the Nigerian banking industry is seriously threatened by the increase in non-performing loans (NPLs) in recent years. The difficulties in upholding effective credit risk management frameworks are highlighted by reports from the Central Bank of Nigeria (CBN, 2021), which show that the average non-performing loan (NPL) ratio in a number of banks

surpassed the statutory guideline of 5%. Ineffective credit risk management limits banks' ability to lend and lowers profitability, which limits their contribution to economic growth (Boussemart et al., 2019).

The CBN and foreign regulatory agencies have implemented steps to improve risk management procedures in order to solve these issues. For example, the CBN Prudential Guidelines and Basel III's implementation highlight the necessity of strong risk assessment and mitigation techniques (Emmanuel et al., 2022). There is ongoing discussion on these measures' efficacy in enhancing Nigerian banks' financial performance. According to recent research, while better credit risk management frameworks can increase profitability, their effects may be limited by poor implementation (Rehman et al., 2019). For Nigeria's banking industry to remain resilient and competitive in the face of changing financial and economic problems, it is imperative to comprehend the connection between credit risk management and financial performance.

Statement of the Problem

The increased non-performing loan (NPL) levels have hurt banks' ability to provide credit to important economic sectors, decreased shareholder value, and undermined profitability (Tölö & Virén, 2021). As an illustration of inadequate credit risk management systems, the Central Bank of Nigeria (CBN, 2021) revealed that non-performing loans (NPLs) in the Nigerian banking industry surpassed the statutory threshold of 5% in certain institutions. Nonetheless, issues with credit risk management continue to be a major barrier to Nigerian deposit money institutions' financial success.

The 2016 Nigerian economic downturn serves as a real-world example of this problem, as multiple banks had large loan defaults, especially in industries like oil and gas. For instance, Access Bank's NPL ratio skyrocketed, resulting in significant provisions for bad debts and lower profit margins (Singh et al., 2021). The defunct Heritage Bank, like other Nigerian deposit money banks, faces challenges in managing credit risk, evident in issues such as non-performing loans and sub-optimal capital adequacy ratios. These challenges undermine profitability and stability, highlighting the need for effective credit risk management strategies to enhance financial performance and sustain economic growth (Egejuru, 2023).

The continued high levels of non-performing loans (NPLs) suggest implementation and efficacy gaps, even in the face of efforts to improve risk management processes through regulatory recommendations such as Basel III and the Prudential guidelines recommendations. Therefore, it is imperative to investigate how much credit risk management techniques impact financial performance and to find long-term solutions to reduce these risks.

Objective of the Study

The main objective of this study is to assess the effect of credit risk management on financial performance of deposit money banks in Nigeria. The specific objectives are to:

- i. examine the effect of credit risk management on return on assets of deposit money banks in Nigeria.
- ii. evaluate the effect of credit risk management on return on equity of deposit money banks in Nigeria.

Research Questions

The following research questions were answered in this study:

- i. What is the effect of credit risk management on return on assets of deposit money banks in Nigeria?

- ii. To what extent does credit risk management affect return on equity of deposit money banks in Nigeria?

Research Hypotheses

The hypotheses that provide a greater insight into the research work are as follows:

Ho₁: Credit risk management has no significant effect on return on assets of deposit money banks in Nigeria.

Ho₂: There is no significant relationship between credit risk management and return on equity of deposit money banks in Nigeria.

LITERATURE REVIEW

Financial Performance

Financial performance assesses how well a company uses its resources to attain stability, development, and profitability. It represents the capacity to produce income, control risks, and maintain operations while providing value to shareholders in the banking industry. Return on Equity (ROE), Return on Assets (ROA), and Net Interest Margin (NIM) are important financial performance metrics that evaluate asset utilization, profitability, and operational effectiveness (Yulyanti et al., 2024).

Corporate governance, regulatory compliance, and credit risk management are some of the elements that affect the financial performance of Nigerian deposit money banks (Ko et al., 2019). For example, a high percentage of non-performing loans lowers profitability and undermines investor trust. On the other hand, sound governance and risk management systems improve financial performance and stability (Shad et al., 2019). For stakeholders, such as investors and regulators, measuring financial performance is essential to ensuring the sector's sustainability and contribution to economic progress.

Return on Assets (ROA)

One important financial indicator that assesses a bank's capacity to produce a profit from its whole asset base is return on assets. It is computed as a percentage by dividing net income by total assets. Return on assets is a measure of operational effectiveness and how well management uses resources to turn a profit (Maria & Diana, 2020).

Return on assets is a crucial metric for assessing financial performance in Nigeria's banking industry, especially for deposit money institutions that have to strike a balance between risk management, liquidity, and profitability. Better asset utilization translates into increased financial stability and competitiveness, as indicated by higher return on assets values (Liwaul et al., 2023). But too many non-performing loans or inadequate credit risk management can hurt return on assets, which lowers a bank's overall profitability and efficiency (Siddique et al., 2022). In order to improve financial results, banks can find performance gaps and optimize resource allocation strategies by routinely evaluating return on assets.

Return on Equity (ROE)

A bank's capacity to turn a profit in relation to shareholders' equity is gauged by its return on equity, or ROE. It is a crucial measure of financial performance and management effectiveness in using equity capital to generate value. It is computed as net income divided by total equity and shown as a percentage (Soewarno & Tjahjadi, 2020).

For deposit money institutions in Nigeria, ROE is crucial for determining profitability and financial stability. High ROE values suggest effective equity utilization, enhancing shareholder confidence and market competitiveness (Bunea et al., 2019). Low ROE levels, on the other hand, frequently indicate excessive indebtedness or operational inefficiency. Several

factors have a major impact on ROE, including corporate governance frameworks, non-performing loans, and credit risk management. ROE is improved by effective governance structures because they improve profitability, risk reduction, and decision-making (Soewarno & Tjahjadi, 2020). By routinely tracking ROE, banks can spot weaknesses in their financial performance and improve their shareholder value development tactics.

Credit Risk Management

The process of determining, evaluating, and reducing the possible loss that a financial institution might sustain as a result of a borrower's noncompliance with contractual commitments is known as credit risk management. Since loans and advances make up a sizable amount of deposit money banks' asset base, it is an essential part of their operations (Sgambati, 2019). Strict credit appraisal procedures, loan monitoring, and bad debt provisions are all necessary for efficient credit risk management.

Poor credit risk management frequently leads to a rise in non-performing loans (NPLs), which has a detrimental impact on financial stability and profitability, according to research (Ozili, 2019). Effective techniques to reduce credit risk have been identified, including using credit scoring methods, diversifying loan portfolios, and closely adhering to regulatory frameworks (Scott et al., 2024). This emphasizes how crucial it is to preserve stakeholder confidence and bank profitability. The Central Bank of Nigeria's recent hike in the Monetary Policy Rate (MPR) to 27.50% aims to curb inflationary pressures, impacting credit risk management. Higher interest rates elevate borrowing costs, potentially leading to an increase in non-performing loans and influencing banks' ability to manage credit risk effectively (CBN, 2024).

Non-Performing Loan Ratio

The percentage of a bank's loans that are in default or nearly in default relative to its entire loan portfolio is known as the non-performing loan (NPL) ratio. It is a vital sign of financial health and credit risk, especially in the banking industry. According to Naili and Lahrichi (2022), high non-performing loan ratios frequently indicate inadequate credit risk management, which can result in decreased profitability, diminished investor confidence, and possible systemic problems.

High NPL ratios in deposit money banks in Nigeria are caused by enduring issues such as insider lending, inadequate loan appraisal mechanisms, and economic volatility (Naili & Lahrichi, 2022). Economic growth is hampered by these high ratios because they restrict banks' capacity to provide credit. Effective credit risk management techniques, like stringent regulatory compliance and diverse loan portfolios, have been shown to improve financial performance and reduce non-performing loan (NPL) ratios (Alfiana et al., 2024).

Capital Adequacy Ratio

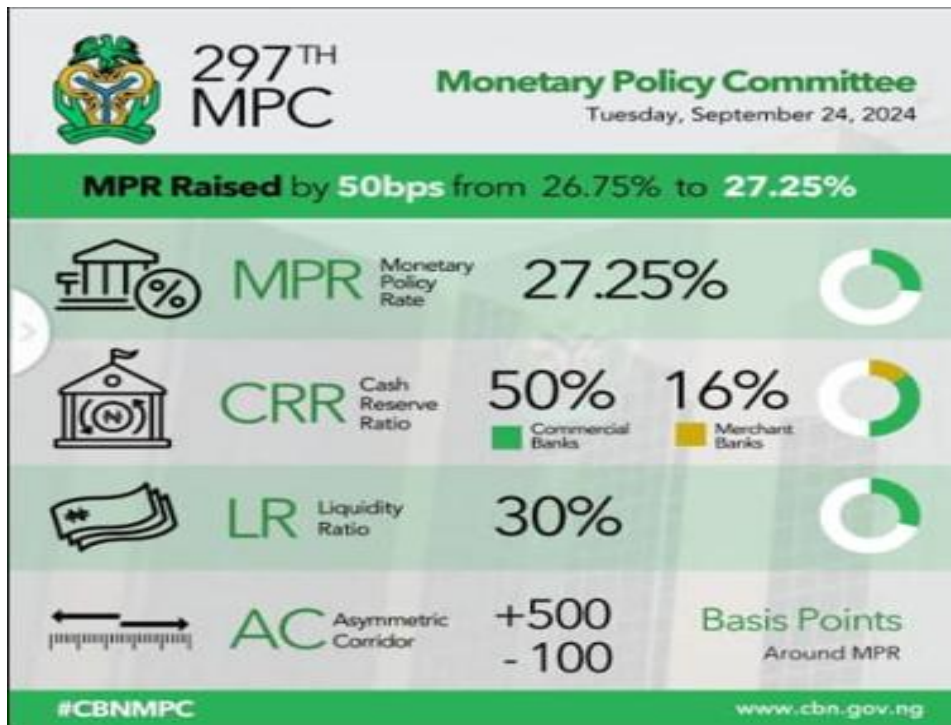
A crucial indicator for evaluating the stability and resilience of a bank's finances is the Capital Adequacy Ratio (CAR), which compares the capital of the bank to its risk-weighted assets. Minimum capital adequacy ratio levels are set by regulatory bodies like the Central Bank of Nigeria (CBN) to make sure banks can withstand possible losses and safeguard depositor money. A greater capital adequacy ratio suggests a more robust risk buffer, which improves the bank's capacity to continue operating in times of financial difficulty (Moudud-Ul-Huq, 2021).

Nigerian deposit money banks must keep a sufficient capital adequacy ratio because of the country's unstable economy and credit market swings (Olawale, 2024). According to

research, banks with enough capital are less likely to experience liquidity issues and are better able to control credit risks, which boosts profitability (Saleh & Abu Afifa, 2020). But overly high capital needs might impede expansion and lower equity returns.

The Central Bank of Nigeria's decision to maintain the Cash Reserve Ratio (CRR) at 50% affects liquidity management in banks, directly influencing their capital adequacy ratio (CAR). A higher CRR reduces available funds for lending, potentially impacting banks' profitability and capital buffers, thereby altering their CAR and overall stability (CBN, 2024).

FIGURE 1: CBN Monetary Policy Committee



Source: www.cbn.gov.ng (Tuesday, September 24, 2024)

Loan to Deposit Ratio

The ability of a bank to turn consumer deposits into loans while keeping adequate liquidity is gauged by the Loan-to-Deposit Ratio, or LDR. It is an essential measure of financial efficiency that demonstrates how well a bank makes use of its deposit base to produce revenue through lending. While a low LDR signifies cautious lending and possible under-utilization of resources, a high LDR indicates aggressive lending practices but may present liquidity issues (Al-Naimi, 2023).

To encourage credit development and economic progress, regulatory bodies in Nigeria, including the Central Bank of Nigeria (CBN), have set minimum LDR limits (Emmanuel et al., 2022). Yet, an overly high LDR may result in a rise in non-performing loans (NPLs), which would be detrimental to both profitability and financial stability (Yulyanti et al., 2024). In order to balance credit and liquidity risks and maintain long-term banking operations, effective risk management and adherence to LDR norms are essential.

THEORETICAL REVIEW

Credit Risk Theory

The Credit Risk Theory, propounded by Merton in 1974, revolutionized the understanding of credit risk in financial markets. Merton's theory, based on option pricing models, posits that the risk of default on a loan or financial obligation arises from the borrower's inability to meet contractual agreements due to financial distress. The theory assumes that a firm's assets and liabilities fluctuate over time, and default occurs when the value of assets falls below the debt obligations (Milidonis et al., 2019).

Merton's framework is widely supported by researchers such as Agliardi and Agliardi (2021), who extended the theory to include bond pricing in default scenarios, and Caballero et al. (2019), who developed models incorporating credit spreads. These extensions affirm the robustness of the theory in explaining credit risk dynamics. However, critics argue that the model's reliance on market efficiency and asset valuation may not fully capture the complexities of credit risk in real-world scenarios, especially in emerging markets like Nigeria, where data and market transparency are often limited (Addy et al., 2024).

The theory is highly relevant to this study, as it provides a basis for assessing the relationship between credit risk management practices and the financial performance of deposit money banks. By understanding how credit risk impacts asset valuation and default probabilities, the study can evaluate the effectiveness of risk mitigation strategies in Nigerian banks.

Portfolio Theory

Portfolio Theory, propounded by Harry Markowitz in 1952, is a foundational concept in modern finance that emphasizes the benefits of diversification in investment decisions. The theory posits that an investor can minimize risk while achieving optimal returns by allocating resources across a portfolio of assets with varying levels of risk and return. Markowitz introduced the concept of the "efficient frontier," representing portfolios that offer the highest return for a given level of risk (Arreola Hernandez & Al Janabi, 2020).

The theory assumes that investors are rational and risk-averse, seeking to maximize returns while minimizing risk through diversification. It also presupposes that asset returns are normally distributed and that investors have access to complete market information. Supporters, such as Mandala et al. (2023), who developed the Capital Asset Pricing Model (CAPM) based on the theory, emphasize its practical application in portfolio management. However, critics argue that the theory's assumptions, particularly normal distribution of returns and rational investor behavior, are often unrealistic in practice, especially in emerging markets with high volatility and limited data transparency (Liang et al., 2020).

Diversification of loan portfolio of a bank is of paramount important part of portfolio theory to the deposit money bank in Nigeria. The deposit money bank should not concentrate their loan portfolio in a particular sector of the economy in order to diversify their risk, In accordance to Central bank of Nigeria "exposure draft on the review of the prudential guidelines for commercial, merchant and non-interest bank" (FPR/DIR/GEN/PAR/02/008, August 23, 2019). The CBN stated that: the total outstanding exposure by a bank to any single person or a group of related borrowers shall not at any point in time exceeds 20 per cent of the bank's shareholders fund unimpaired by losses. 50 per cent of a bank's off-balance sheet engagements shall be applied in determining the bank's statutory limit to a single obligor as per above. The total outstanding exposure (on and off-balance sheet) by a bank to all tiers of

government and their agencies shall not at any point in time exceed 10% of the total credit portfolio.

A large exposure is any credit to a customer or a group of related borrowers that is at least 10% of a bank's shareholders fund unimpaired by losses. Aggregate large exposures in any bank shall not exceed eight times the shareholders fund unimpaired by losses. Portfolio theory is relevant to this study as it provides a framework for analyzing how credit risk diversification impacts the financial performance of Nigerian banks. By applying diversification principles, banks can mitigate exposure to non-performing loans and enhance profitability.

Empirical Review

Addy et al. (2024) provided an in-depth analysis of the challenges associated with credit risk management in Nigerian banks and concluded that poor credit risk management practices were a significant contributor to the financial distress that plagued many banks. The study employed a qualitative methodology, using secondary data from published reports, regulatory submissions, and case studies of Nigerian banks. Their analysis identified inadequate loan monitoring as a critical issue, with many banks failing to implement effective mechanisms to track and recover loans. High default rates were also highlighted as a significant factor undermining profitability and causing financial instability.

Mei et al. (2019) investigated the relationship between credit risk and the profitability of Nigerian banks, focusing on non-performing loans (NPLs) and their impact on financial performance metrics such as Return on Assets (ROA) and Return on Equity (ROE). The study utilized a quantitative methodology, analyzing financial data from 10 Nigerian banks over a five-year period (2005–2009). The findings revealed a negative relationship between NPLs and bank profitability, indicating that higher levels of NPLs significantly diminish financial performance. The study highlighted that ineffective credit appraisal processes and weak credit policies contribute to the accumulation of bad debts, which in turn reduces profitability. To mitigate these risks, the study recommended implementing stringent loan appraisal processes, developing robust credit policies, and ensuring effective risk management techniques.

Siddique et al. (2022) conducted a quantitative analysis of the impact of credit risk management on bank performance, examining data from five Nigerian banks over a period of five years (2005–2009). The study employed panel regression analysis to evaluate the relationship between credit risk variables such as loan loss provisions, NPLs, and financial performance indicators like ROA. Their findings demonstrated that credit risk variables significantly influence financial performance, with higher levels of credit risk leading to lower profitability. The study emphasized the need for robust credit risk management frameworks and advocated for strategies such as improved loan recovery processes and stricter credit approval systems.

Olugboyega et al. (2019) examined the relationship between credit risk management and bank profitability in Nigeria. The study used secondary data from 10 Nigerian banks over a period of six years (2005–2010) and employed regression analysis to evaluate the impact of credit risk variables such as CAR and NPLs on ROA and ROE. Their findings revealed that while CAR positively influences profitability, NPLs negatively affect it. This suggests that adequate capital reserves enable banks to absorb losses from credit risks, whereas high levels of NPLs undermine financial performance. The study emphasized the importance of maintaining an optimal level of capital adequacy to enhance financial resilience and ensure stability in the face of potential credit risks.

Chukwunulu et al. (2019) explored the implications of risk management practices on bank profitability in Nigeria. The study adopted a quantitative methodology, analyzing financial data from 10 Nigerian banks over a period of 10 years (2001–2010). Using regression analysis, the study demonstrated that efficient credit risk management strategies, including proper loan appraisal processes and robust monitoring systems, significantly enhance financial performance. The study recommended that banks adopt a proactive approach to credit management, which includes conducting thorough assessments of borrowers' creditworthiness and maintaining consistent loan monitoring to minimize defaults.

Gaps in Literature

Despite extensive research on corporate governance and profitability in banking, significant gaps persist, particularly in the context of Nigerian deposit money banks. Numerous studies have established a relationship between governance mechanisms, such as board independence and risk management, and bank profitability (Scott et al., 2024; Sgambati, 2019). However, much of this research is generalized, often neglecting the unique dynamics of emerging economies like Nigeria, characterized by regulatory constraints, economic instability, and governance challenges (Ozili, 2019). Additionally, the role of specific governance practices such as executive accountability and compliance with the Corporate Governance Code on profitability metrics like Return on Assets (ROA) and Return on Equity (ROE) remains underexplored.

Contradictory findings further highlight the gap in understanding. While some researchers suggest a strong positive correlation between governance and profitability (Naili & Lahrichi, 2022), others argue that this relationship is negligible or context-dependent (Saliba et al, 2023). These discrepancies underline the need for more localized and nuanced studies. Moreover, few studies examine the interplay between corporate governance, non-performing loans, and operational risks, which are prevalent issues in Nigerian banks (Emmanuel et al., 2022). Addressing these gaps will provide a deeper understanding of how governance frameworks can enhance profitability in Nigeria's banking sector.

Methodology

Research Design

This study employs a quantitative research design to investigate the relationship between credit risk management and financial performance of deposit money banks in Nigeria. The design facilitates the collection and analysis of numerical data using secondary sources such as annual reports and financial statements. Regression analysis is utilized to assess the impact of variables like non-performing loan ratio, capital adequacy ratio, and loan-to-deposit ratio on profitability metrics, including return on assets and return on equity.

Population of the Study

The population for this study is deposit money banks in Nigeria. The number of deposit money banks in Nigeria as at 30th June, 2023 is 26. Out of the 26 deposit banks in Nigeria, 3 were purposely selected in representing the sample of the banks. The sample size consisted of Wema Bank Plc, United Bank for Africa Plc, and Access Bank Plc, which are on the floor of the Nigerian Exchange Group (NGS), focusing on their financial statements and reports to analyse credit risk management and financial performance.

Method of Data Collection

The study used secondary source of data collection, and the instrument used for the collection of the data is through Annual Reports and Accounts. The secondary data used are extracted from the annual report of Wema Bank Plc, United Bank for Africa Plc and Access Bank Plc. The selected banks represent prominent institutions that give loans to customers, ensuring comprehensive insights into Nigeria's banking sector. The data were for the period of five (5) years ranging from 2019 - 2023. Secondary data are considered appropriate given the fact that the study is correlational in nature and is attempting to establish implication (effect) or lack of it under the study variables.

Method of Data Analysis

Descriptive statistics and multiple regressions were used to analyze the data to establish effects between the variables. Descriptive statistics were used in this study because they help to describe the basic features of the data in a study. The multiple regression is considered appropriate since it shows the cause-and-effect relationship between one dependent variable, and two or more independent variables. The Econometric Views (E-views) was used for the estimation. Panel data models are used in this study because they easily measure the degree of confidence that the true relationship is close to the estimated relationship by estimating the fixed and random effect models.

Model Specification

Then the linear regression model for each variable is developed to determine the relationship between the variables.

$$ROA_{it} = \beta_0 + \beta_1NPL_{it} + \beta_2CAR_{it} + \beta_3LDR_{it} + \mu_{it} \dots\dots\dots 1$$

$$ROE_{it} = \beta_0 + \beta_1NPL_{it} + \beta_2CAR_{it} + \beta_3LDR_{it} + \mu_{it} \dots\dots\dots 2$$

Where:

ROA = Return on Assets

ROE = Return on Equity

NPL= Non - performing loans

CAR = Capital Adequacy Ratio

LDR = Loan to Deposit Ratio

β = average change in y that is associated with unit change in variable x

μ = error term

Presentation and Discussion of Results

Descriptive Statistics

	ROA	ROE	NPL	CAR	LDR
Mean	0.044	0.575	0.153	0.183	0.495
Median	0.044	0.575	0.058	0.178	0.473
Maximum	0.098	1.324	0.531	0.284	0.676
Minimum	0.010	0.122	0.002	0.115	0.379
Std. Dev.	0.027	0.388	0.184	0.043	0.078
Skewness	0.388	0.608	0.951	0.460	0.789
Kurtosis	2.192	2.455	2.340	3.131	3.010
Jarque-Bera	0.785	1.110	2.533	0.541	1.558
Probability	0.675	0.573	0.281	0.762	0.458
Sum	0.660	8.638	2.298	2.755	7.426
Sum Sq. Dev.	0.010	2.114	0.477	0.026	0.085
Observations	15	15	15	15	15

Source: Output from E-views (2025)

The descriptive statistics provide insights into the financial performance and risk management indicators of the selected banks over a five-year period. The Return on Assets (ROA) shows a mean value of 0.044, indicating modest profitability relative to total assets. Its low standard deviation of 0.027 suggests minimal variability, and the skewness of 0.388 shows a slight positive skew, indicating a concentration of values below the mean. The Jarque-Bera probability of 0.675 suggests normality in ROA distribution.

The Return on Equity (ROE) has a higher mean of 0.575, reflecting stronger profitability in relation to shareholders' equity. The standard deviation of 0.388 and a skewness of 0.608 imply moderate variability and a positive skew. The Jarque-Bera test (0.573) also supports the normality of the distribution. This indicates that most ROE values are clustered close to the mean, with occasional higher values. The non-performing loan (NPL) ratio has a mean of 0.153, showing moderate credit risk levels, but a standard deviation of 0.184 reflects significant variability in loan performance. A skewness of 0.951 and kurtosis of 2.340 suggest a concentration of smaller values with occasional extreme cases. Its Jarque-Bera probability (0.281) does not indicate strong normality.

The capital adequacy ratio (CAR) has a mean of 0.183 with a standard deviation of 0.043, showing relatively stable capital management across observations. The Jarque-Bera probability (0.762) and kurtosis (3.131) suggest near-normality and stability. Loan-to-Deposit Ratio (LDR) averages 0.495, indicating moderate loan issuance relative to deposits. The standard deviation of 0.078 reflects some variability, while skewness of 0.789 indicates a concentration of lower ratios. The Jarque-Bera probability of 0.458 does not reject normality.

Test of Hypotheses and Interpretation of Results

Hypothesis 1: Credit risk management has no significant effect on return on assets of deposit money banks in Nigeria.

Dependent Variable: ROA

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.154	0.049	3.139	0.009
NPL	0.081	0.040	2.025	0.067
CAR	-0.295	0.165	-1.781	0.102
LDR	-0.138	0.080	-1.723	0.112
R-squared	0.471	Mean dependent var		0.044
Adjusted R-squared	0.327	S.D. dependent var		0.027
S.E. of regression	0.022	Akaike info criterion		-4.524
Sum squared resid	0.005	Schwarz criterion		-4.335
Log likelihood	37.933	Hannan-Quinn criter.		-4.526
F-statistic	3.275	Durbin-Watson stat		1.583
Prob(F-statistic)	0.062			

Source: Output from E-views (2025)

The regression analysis evaluates the impact of key financial indicators on Return on Assets (ROA). The constant (C) has a coefficient of 0.154, significant at 5% level of significance, indicating that in the absence of other variables, ROA was positive. Non-Performing Loans

(NPL) positively influence ROA with a coefficient of 0.081, the p-value of 0.067 was statistically insignificant since the p-value was greater than 5% level of significance, suggesting that a moderate increase in NPL may align with risk-managed profitability under certain conditions.

Capital Adequacy Ratio (CAR) shows a negative coefficient of -0.295, with a significance level $p=0.102$, implying an inverse relationship with ROA, though the effect is not statistically strong. Similarly, Loan-to-Deposit Ratio (LDR) has a negative coefficient of -0.138 ($p=0.112$), indicating that higher loan issuance relative to deposits may reduce profitability, albeit with limited statistical insignificant.

The model's R^2 of 0.471 implies that 47.1% of the variance in ROA is explained by the independent variables, while the adjusted R^2 of 0.327 reflects moderate explanatory power after adjusting for the number of predictors. The F-statistic of 3.275 ($p=0.062$) suggests the overall model is marginally insignificant. The Durbin-Watson statistic of 1.583 indicates mild autocorrelation, which should be considered in further analysis.

Hypothesis 2: There is no significant relationship between credit risk management and return on equity of deposit money banks in Nigeria.

Dependent Variable: ROE

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.729	0.660	4.133	0.002
NPL	0.606	0.543	1.114	0.288
CAR	-5.051	2.228	-2.266	0.044
LDR	-2.662	1.079	-2.467	0.031
R-squared	0.522	Mean dependent var		0.575
Adjusted R-squared	0.392	S.D. dependent var		0.388
S.E. of regression	0.302	Akaike info criterion		0.671
Sum squared resid	1.008	Schwarz criterion		0.860
Log likelihood	-1.037	Hannan-Quinn criter.		0.669
F-statistic	4.019	Durbin-Watson stat		1.717
Prob(F-statistic)	0.037			

Source: Output from E-views (2025)

The regression analysis examines the impact of financial indicators on Return on Equity (ROE). The constant (C) has a coefficient of 2.729, which is statistically significant with a probability of 0.002. This suggests that, in the absence of the other variables, ROE maintains a strong baseline level. Non-Performing Loans (NPL) show a positive coefficient of 0.606, but it is not statistically significant ($p = 0.288$), indicating that NPL has a limited or insignificant effect on ROE.

The Capital Adequacy Ratio (CAR) has a negative coefficient of -5.051, which is significant at a probability of 0.044. This suggests a significant inverse relationship between CAR and ROE, implying that higher capital adequacy may reduce returns for equity holders, potentially due to more conservative risk-taking. Similarly, the Loan-to-Deposit Ratio (LDR) has a negative coefficient of -2.662, statistically significant at $p = 0.031$. This implies that

higher loans relative to deposits could adversely affect equity returns, possibly due to inefficiencies in asset utilization.

The R-squared value of 0.522 indicates that 52.2% of the variation in ROE is explained by the independent variables. The adjusted R-squared of 0.392 reflects the model's explanatory power after adjusting for the number of predictors. The F-statistic of 4.019 ($p = 0.037$) confirms the model's overall significance. The Durbin-Watson statistic of 1.717 suggests minimal autocorrelation in the residuals, indicating the reliability of the model.

Implications of the Findings

The findings of this study have significant implications for the banking sector, particularly in relation to the impact of credit risk management and financial performance of Nigerian deposit money banks. The negative relationship between Capital Adequacy Ratio (CAR) and Return on Equity (ROE) indicates that higher levels of capital reserves may result in reduced profitability for banks. This could suggest that banks are potentially adopting overly conservative risk management practices, which, while ensuring stability, may limit opportunities for higher returns to equity holders. Consequently, banks may need to find a balance between maintaining adequate capital buffers and achieving optimal profitability.

Similarly, the negative relationship between Loan-to-Deposit Ratio (LDR) and ROE implies that over-reliance on loans relative to deposits could lead to lower profitability. This highlights the importance of efficient resource allocation and the need for banks to manage their liquidity positions effectively. On the other hand, the positive but statistically insignificant relationship between Non-Performing Loans (NPL) and ROE suggests that NPLs may not have an immediate, direct effect on profitability, although their long-term implications could still affect financial health.

These findings emphasize the need for Nigerian banks to carefully consider their capital structure and loan management strategies to enhance profitability while maintaining financial stability. Banks should focus on improving efficiency in risk management, liquidity, and asset utilization to maximize returns on equity.

Conclusion

This study highlights the critical role of credit risk management in shaping the financial performance of deposit money banks in Nigeria. The findings suggest that certain credit risk management variables, such as the Capital Adequacy Ratio (CAR) and Loan-to-Deposit Ratio (LDR), significantly influence profitability, with higher CAR levels potentially limiting returns and an over-reliance on loans negatively impacting profitability. While the Non-Performing Loan (NPL) ratio demonstrated a positive but statistically insignificant relationship with profitability, its long-term effects cannot be overlooked.

Overall, the study emphasizes the importance of a balanced approach to credit risk management, where banks need to optimize capital buffers and loan-to-deposit ratios for improved financial performance. By focusing on strategic asset allocation and sound risk management practices, Nigerian deposit money banks can achieve enhanced profitability while ensuring financial stability. Further research is recommended to explore other external factors influencing the relationship between credit risk management and bank performance in Nigeria.

Recommendations

Based on the findings of this study, several recommendations can be made to enhance credit risk management and improve the financial performance of deposit money banks in Nigeria. First, banks should prioritize maintaining an optimal Capital Adequacy Ratio (CAR), ensuring

they have sufficient capital reserves to absorb unexpected financial shocks. While a higher CAR is necessary for financial stability, an overly cautious approach may limit profitability, so a balanced strategy should be adopted.

Second, the Loan-to-Deposit Ratio (LDR) should be carefully managed. Banks need to avoid excessive lending that could result in liquidity problems while ensuring they generate sufficient returns from their lending activities. By optimizing this ratio, banks can strike a balance between maximizing returns and mitigating the risks of credit exposure.

Third, while the Non-Performing Loan (NPL) ratio did not show a significant relationship with profitability, it remains an important indicator of asset quality. Banks should invest in advanced credit risk assessment tools and strengthen their loan monitoring systems to reduce the occurrence of non-performing loans, thus improving their financial health.

Finally, Nigerian regulators should continue to strengthen governance frameworks and implement regulations that encourage better credit risk management practices. Further research into external economic factors, including policy changes and market conditions, will provide more comprehensive insights into how credit risk management can be optimized for long-term profitability.

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CORPORATE GOVERNANCE AND FIRM PERFORMANCE: EVIDENCE FROM CONSUMER GOODS FIRMS

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Abstract

Firm performance serves as a subjective metric for evaluating the effectiveness of the firm. The objective of the study is to find out how corporate governance parameters like board size and board independence drive firm performance of quoted consumer goods companies in Nigeria while controlling for firm leverage. The extension of the period to 2023 formed the research gap in this study. The study objective is to examine the effect of board size and board independence on firm performance in Nigeria. The study used ex-post facto research design to sample 16 listed consumer goods firm from a total population of 21 listed firms in Nigeria Exchange Group for the period of 2014 to 2023 through simple random sampling. The data were analyzed using descriptive statistics, Pearson correlation matrix and multiple regressions analysis. The regression results showed that board size has a t-value of -1.710 and p-value of 0.089, board independence has a t-value of 0.547 and p-value of 0.585 and firm leverage a t-value of -3.420 and p-value of 0.001. The study concluded that board size and board independence has no significant effect on firm performance while firm leverage had a significant on firm performance. The study recommended that management of listed consumer goods firm in Nigeria should ensure that the presence of larger board size drive the performance of company over time.

Keyword: Board size, Board independence, corporate governance, firm leverage and firm performance.

Introduction

Firm performance serves as a subjective metric for evaluating the effectiveness of the firm. Firm performance is seen as how well a firm is doing in terms of making profit, return on investment, and retention of employees as well as having a good reputation from their host community (Akinwumi, et al., 2021). Baima, et al. (2021) argued that firm performance is driven by the presence of corporate governance mechanism and recorded in the financial

position of corporate organisations. The measure of firm performance is based mainly on the information available and the instruments used (Thakkar & Lohiya, 2022). Firm performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. Mansour et al. (2022) maintained that the practice of sound corporate governance is usually adjudged that **it improves** firm performance.

The global financial crisis, alongside the resultant disintegration of significant corporate entities in both advanced and emerging economies, with Nigeria being no outlier, has underscored the critical importance of corporate governance (Nwonye et al., 2020). Presently, the subject of corporate governance has garnered substantial attention from policymakers and scholarly researchers worldwide. Corporate governance mechanism of board independence, board gender diversity, board meetings, larger board size enhances firm's liquidity and profitability, thereby encourages potential investors, shareholders/stakeholders institutional ownership (Sarpong-Danquah et al., 2022). The state of corporate governance in Nigeria appears to be significantly flawed, as corporations continue to experience incidents of financial misconduct attributed to mismanagement and the misappropriation of funds (Onodugo, et al., 2019). This situation was further exemplified by the collapse of the capital market during the period of 2009-2010, wherein companies incurred substantial losses in share value, leading to a subsequent erosion of shareholders' trust. Notwithstanding this, these discrepancies represent a significant deviation from the expected norms of the nation's capital market and the broader economy.

In light of the aforementioned turmoil within Nigeria's capital market, both shareholders and other investors have experienced a diminishment of confidence in committing their financial resources to the market, thereby underscoring the urgent necessity for enhanced corporate governance to revitalize our stock market and bolster our economy. Therefore, establishing a relationship between corporate governance and firm performance with the use of multiple regressions methodology in the analysis of data justifies the existence of an identified problem for which this study is absolutely necessary and inevitable (knowledge gap). There is therefore a need to establish whether corporate governance has contributed to firm performance. This study also intends to reduce the gap in knowledge by looking at how corporate governance parameters (board size and board independence) drive firm performance of quoted consumer goods companies in Nigeria controlling for firm leverage. Therefore, the extension of the study period to 2023 formed another identified gap in research (period gap). It is within this context that the present study seeks to explore the impact of corporate governance on the financial performance of consumer goods firms in Nigeria.

The broad objective of the study was to examine the effect of corporate governance on the firm performance of consumer goods firms in Nigeria. The specific objective was to:

- (i) Examine the effect of board size on the firm performance of consumer goods firms in Nigeria.
- (ii) Investigate the effect of board independence on the firm performance of consumer goods firms in Nigeria.

The following hypotheses stated in null form were tested in this study

H0₁: Board size has no significant effect on firm performance of consumer goods firms in Nigeria.

H0₂: Board independence has no significant effect on firm performance of consumer goods firms in Nigeria.

Literature Review and Theoretical Framework

Conceptual Review

Firm Performance

Firm performance serves as a subjective metric for evaluating the efficacy with which a firm utilizes its assets derived from its core business activities to generate increased revenues. Urhoghide and Korolo (2022) defined firm performance as the extent to which a firm utilizes its assets to earn revenues in the course of business operations. The assessment of a business's financial performance enables decision-makers to evaluate the outcomes of business strategies and activities in objective monetary terms. Ebe, et al. (2018) delineated various methodologies for assessing corporate performance, which encompass profitability, cash flow, sales growth, and the ratio of market value to book value. The earnings that remain undistributed to shareholders are referred to as retained earnings, which should ideally be reinvested to foster future growth in earnings. Investors anticipate that firms will utilize their retained earnings to either optimize their existing operations or allocate resources towards endeavors that yield higher profitability.

Al-Juboori et al. (2021) defined firm performance as the extent to which revenue, profit, cost reduction, return on sales, and return on assets as indicators of financial performance. Firm performance can be quantified through a variety of metrics. These encompass profitability, which elucidates the extent of wealth generated by a company after accounting for all expenses and incurred charges. It is reasonable to assert that a greater profit margin correlates with a more favorable evaluation of the firm's performance, among other factors. Financial performance can also be assessed through cash flow, defined as the differential between the cash available at the conclusion of a period and the cash present at the commencement of that same period. Positive cash flows signify commendable financial performance, whereas negative cash flows indicate subpar performance.

Corporate Governance

Corporate Governance refers to the mechanisms through which a corporation's strategic direction and operational oversight are established and maintained. This framework is designed to ensure adherence to the corporate governance codes as revised by the Securities and Exchange Commission in September 2008 and subsequently in 2014. The trajectory of corporate governance in Nigeria mirrors that of the global landscape, characterized by instances of misfortune and unethical practices involving the misappropriation of funds perpetrated by top executives, auditors, and accountants through deceptive financial reporting and innovative accounting techniques (Ebe & Ubese, 2020). Corporate governance has emerged as a significant focal point of concern within all regulatory pronouncements and codes, garnering widespread acceptance globally, with nations instituting tailored corporate governance codes to mitigate the recurrence of past transgressions while ensuring strict compliance with these legal frameworks. Numerous provisions are encompassed within the codes, with specific emphasis in this discourse on aspects such as board size and board independence.

Board Size

To foster more effective corporate governance within the organization, the composition of board size should reflect a suitable amalgamation of expertise and competencies to mitigate

any potential bias in skills and experiences. Board size denotes the aggregate number of directors, encompassing both executive and non-executive members, and is subject to variation influenced by the respective country and cultural context (Zabri, et al., 2016). As a result, a universally accepted standard for board size does not exist. While certain corporations advocate for an expanded board size to elevate the quality of decision-making, others endorse a more condensed board size to achieve heightened effectiveness and efficiency in oversight. Ahmed and Hamdan (2015) posited that a board comprising 12 members would yield advantageous outcomes, whereas Effiok, et al. (2012) determined that the presence of 12 members lacked statistical significance. Xavier, Shukla, Oduor, and Mbabazize (2015) proposed an optimal board size of nine members, and Odiwo, et al. (2013) surmised that an enlarged board size would correlate positively with enhanced organizational performance.

Board Independence

A board is said to be independent when the number of independent non-executive directors not associated with top executives of the firm are more (Ilaboya & Obaretin, 2015). Section 4.3 of the SEC Code articulates that the preponderance of directors on the boards of publicly traded corporations ought to be non-executive directors, with the stipulation that at least one of these individuals must be an independent director, as posited by Mayona et al. (2021). A non-executive director is delineated as an individual who does not partake in the day-to-day management of the corporation; conversely, an independent director is characterized not only as a non-executive director but also as one who possesses no significant equity in the corporation. An independent director on the board does not act as a representative for any stakeholder groups (such as employees or the general public) associated with the corporation and maintains no vested interests in the corporation.

Control Variable

Firm Leverage

Firm leverage is a corporate policy of utilizing loan to enhance corporate investment and performance (Ofulue, et al., 2022). The higher debt signals highly leveraged firm which could be beneficial to the business organization in the period of windfalls and cause serious cash flow problems in the period of economic recession which may be able to cover sales revenue and interest payment (Tudose, 2012). Ofulue, et al. (2020) further firm leverage as the total sum of liability (debt) corporate organization utilizes to support, finance as well sponsor corporate assets.

Theoretical Review

The stakeholder theory and the signalling theory was used to explain the study.

Stakeholder Theory

The stakeholder theory was developed by Freeman in 1984. This theory stated that stakeholders explore their legitimacy power to mount pressure on management for the maximisation of wealth in their interests. Stakeholder theory suggests that the needs of shareholders and stakeholders of an organization should be met side by side with consideration being given to both sides. He revisited the theory and re-defined stakeholders as any individual or group who has an interest in the firm because he/she can influence or can be influence by the firms' activities as well. Bakti and Nengzih (2023) stressed that the theory states that a firm must perform its functions fairly to benefit all its stakeholders through a cordial relationship between the firm and its constituents. This implied that the powers given to the stakeholders are not

relevant. Stakeholder theory contends that the pressures exerted on organisations by different stakeholders condition firm behaviour.

Signalling Theory

The signal theory is propounded by Spence (1973). The theory is based on the existence of information asymmetry in the capital markets. The signaling theory considers that the same information is not shared by all economic agents. Sun, et al. (2010), argued that the signal theory is used to reduce the level of information asymmetry in the capital market. The theory depicted that managers of well performing firms tend to disclose the performance of the organization in their financial statements with greater transparency than managers of poorly performing firms. The level of disclosure in this case, sends a kind of signal of healthy and unhealthy firms to the stakeholders who view and use the financial statements.

Empirical Review

Emmaculate, et al. (2024) carried a study on the relationship between capital structure and firm performance of deposit money banks (DMBs) in Nigeria. The study employed panel design to sample 12 DMBs listed in NGX for the period 2013- 2022 through convenience sampling technique and analysed using descriptive statistics, correlation and panel estimation technique. The empirical evidence showed short-term debt and long-term debt exerts a negative and insignificant relationship with FP a p-value >0.05 . Adebayo, et al. (2022) sampled 11 listed firms deposit money banks for the period of 2011 to 2019 to examine the connection between corporate governance and firm value of Nigerian listed deposit money banks. They used descriptive, Hausman test, multiple regression analysis of random effect, and diagnostic tests like Heteroskedasticity and Autocorrelation to validate the data for the empirical analysis and firm value proxied by Tobin Q. The empirical findings reveal that board gender and board meeting had insignificant influence on firm value while board size, board composition firm size and firm leverage had a negative significant relationship with firm value. In Egypt, Attia et al. (2022) examine the connection between board attributes on real-based earnings management and performance and documented that board independence has a significant relationship with abnormal levels of discretionary expenses and performance. Ogunmakin, et al. (2020) sampled 10 listed deposit money banks in Nigeria on the effect of corporate governance on firm performance of selected for the period of 2009 to 2018. They used descriptive and panel estimation techniques to test the formulated hypotheses while FP was proxied by Tobin's Q. The results revealed board diversity and board size had insignificant positive effect on FP. Kweh, et al. (2019) examined the effect of board gender diversity, board independence and firm performance in Malaysia. The sample size comprises of top 200 Malaysian firms as at 31st December 2015 listed in Bursa Malaysia. The study adopted 2-stage least square, OLS and Generalised method of moments. The results show that there is a significant and negative relationship between board independence and performance. Badu and Appiah (2017) examined the effect of board size on firm performance. A sample size of 137 listed firms in Ghana and Nigeria were investigated. ROA and Tobin's Q were used as a proxy for financial performance. It was found that a larger board size effectively advises, monitor and discipline management thereby improving firm performance.

Methodology

The study used ex-post facto research design. The ex-post facto design was used to establish a cause-and-effect relationship between the independent variables and a dependent variable. This method is used when the researcher cannot manipulate the independent variable, and the study

occurs after the event or phenomenon has already taken place. Akinlua (2020) defines ex-post facto research as a descriptive study where variables that have already occurred are analyzed. The study does not interfere with the variables and seeks to observe relationships as they naturally exist. The proposed sample of the study is twenty-one (21) listed consumer goods firms in Nigeria selected through simple random sampling from Nigeria’s Exchange Group (NGX). The random sampling technique was used to select 16 sampled companies out of the total population of 21 listed firms. The exclusion of the five (5) firms from the sample population was due to the non-availability of annual reports and accounts for the period of 2014 to 2023.

Model Specification

$$\text{Firm performance} = f(\text{BS}, \text{BIND}, \text{FL}) \dots\dots\dots (3.1)$$

Firm performance is measured by returns on asset (ROA)

$$\text{ROA} = \beta_0 + \beta_1\text{BS} + \beta_2\text{BIND} + \beta_3\text{FL} + \epsilon_t \dots\dots\dots (3.2)$$

- Where; = Firm performance
- BS = Board Size
- BIND = Board Independence
- FL = Firm leverage

Measurement of Variables

The measurement of the dependent variable and independent variables would be presented in the table below:

TABLE 3.1: Measurement of Variables

S/ N	Variable	Definition	Measurement	Source	Apriori sign
1.	ROA	Firm performance (Dependent variable)	It was proxied by returns on asset (ROA). It was measured by dividing profit after tax by total assets and multiplied by 100.	Omotola & Akrawah (2019)	&
2.	BS	Board size (Independent variable)	Board size was measured by the number of directors sitting on the board.	Alsmady (2018)	+
3.	BIND	Board independence (Independent variable)	It was measured by the proportion of non-executive directors to the total board size.	Mohammed, et al. (2024)	+/-
4.	FL	Firm leverage (Control variable)	It was measured by the ratio of debt to total asset	Umry & Diantimala (2018)	+/-

Source: Researcher’s Compilation (2024)

Method of Data Analysis

The study will adopt the use of multiple regression technique in the analysis of data. The justification for using the regression technique was based on the fact that there is more than one independent variable. The multiple regressions were evaluated using individual statistical significance test (t-test) and overall statistical significance test (F-test) in testing the formulated hypotheses. The goodness of fit of the model was tested using the coefficient of determination (R-Squared). In the study, we also conduct descriptive statistics and correlation matrix. The analysis in the study was conducted using SPSS 23.0 econometric software.

Decision Rule

The hypotheses of the study were tested at 5% (0.05) of significance. Accept the hypothesis when the $p > 0.05$ and reject the hypothesis when $p < 0.05$.

Data Presentation, Analyses and Discussion of Results

The descriptive statistics result was presented in Table 4.1 below.

TABLE 4.1: Descriptive Statistics

	N	Minim um	Maxim um	Mean	Std. Deviation
ROA	158	-30.10	42.90	4.7866	8.94103
BS	158	4.00	18.00	10.3165	2.95419
BIND	158	33.33	93.33	72.2385	13.48465
FL	158	4.28	113.41	61.4994	18.56956
Valid N (listwise)	158				

Source: SPSS 23.0 Output (2024)

The results in Table 4.1 provided some insight into the nature of the selected deposit money banks that were used in this study. On the average, firm performance (ROA) measured by return on asset was N4.78 with a standard deviation value of 8.94. Board size (BS) was 10.31 with a standard deviation value of 2.95. This indicates that the average board size was 10 among the sample consumer goods firms. Board independence (BIND) was 72% on the average with a standard deviation value of 13.48. This indicates that there is more presence of non-executive directors setting on the board of listed in consumer goods firms in Nigeria. The control variable, firm leverage (FL) on the average was 6.49 with a standard deviation value of 18.56. In examining the association among the variables, we employed the Pearson correlation coefficient (correlation matrix) and the results are presented in Table 4.2.

TABLE 4.2: Pearson Correlation Matrix

		ROA	BS	BIND	FL
FP	Pearson Correlation	1	-.131	.067	-.269**
	Sig. (2-tailed)		.101	.402	.001
	N	158	158	158	158
BS	Pearson Correlation	-.131	1	.015	.001
	Sig. (2-tailed)	.101		.855	.988
	N	158	158	158	158
	Pearson Correlation	.067	.015	1	-.101

BI	Sig. (2-tailed)	.402	.855		.206
ND	N	158	158	158	158
FL	Pearson Correlation	-.269**	.001	-.101	1
	Sig. (2-tailed)	.001	.988	.206	
	N	158	158	158	158

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

Source: SPSS 23.0 Output (2024)

The result of the Pearson correlation matrix in Table 4.2 above showed that board size (BS) was negatively and moderately correlated with firm performance (ROA=-0.131) and firm leverage (FL=-0.269) while positively and weakly correlated with board independence (BIND=0.067). The result showed that board independence (BIND) was positively and weakly correlated with firm performance (ROA=0.067) and board size (BS=0.015) while negatively and weakly corrected with firm leverage (FL=-0.101). The control variable, firm leverage (FL) was positively and weakly correlated with board independence (BIND=0.001) while negatively and moderately corrected with firm performance (ROA=-0.269) and positively correlated with board size (BS=0.101). The correlation coefficient results showed that none of the explanatory variable was perfectly correlated. This indicates that there might be no possibility of multicollinearity problem.

To check for multicollinearity among the explanatory variables, the Variance Inflation Factor (VIF) was conducted and the result presented in the Figure 4.3 below.

TABLE 4.3: Variance Inflation Factor

Collinearity Statistics	
Tolerance	VIF
1.000	1.000
.990	1.011
.990	1.010

Mean Aggregate value =1.007

From the Table 4.3 above it would be revealed from the mean aggregate value of VIF (1.007) that there is the absence of multicollinearity problem. The absence of multicollinearity problem was because the value of 1.007 did not exceed 10. This implies that none of the independent or explanatory variables were perfectly correlated. This therefore means that there is absence of multicollinearity among the independent variables.

Regression Results

The study used a multiple regression analysis to test our formulated hypotheses. The results obtained were presented in Table 4.4 below.

TABLE 4.4: Model Summary of Regression Result					
Mo del	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

1	.302 ^a	.091	.074	8.60563	.883
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a. Predictors: (Constant), FL, BS, BIND
b. Dependent Variable: FP

In testing the significant relationship between the dependent and independent variables, we adopted multivariate regressions technique. The results showed that the R-squared value of 0.091 indicates that all the independent variables jointly explained about 9% of the systematic variations in firm performance measured by returns on asset (ROA). The R value of 0.302 indicates that 30% of the model depicts a significant linear relationship exist between the dependent variable and the independents variables. Also, the Durbin Watson value of 0.883 revealed the presence of serial correlation in the multiple regressions but this was irrelevant due to the nature of data employed in this study.

TABLE 4.5: Significant effect of corporate governance on firm performance

Model	Unstandardized Coefficients	Standardized Coefficient	t	Sig.		
	B	Std. Error	Beta			
1	(Constant)	14.704	5.153	2.854	.005	
	BS	-.398	.233	-.131	-1.710	.089
	BIND	.028	.051	.042	.547	.585
	FL	-.127	.037	-.265	-3.429	.001

a. Dependent Variable: ROA

Restatement of the model: $ROA = \beta_0 + \beta_1 BS + \beta_2 BIND + \beta_3 FL$
 $ROA = \beta_0 14.704 + \beta_1 -0.398 + \beta_2 0.028 + \beta_3 -0.127$

From Table 4.5 above, the results that board size (BS) had an insignificant negative effect on firm performance with p-value > 0.05. This negative coefficient value means that increase in board size would lead to a decrease in firm performance but was statistically insignificant. The insignificant of the variable was because it failed the individual test of significance at p-value > 0.05 level of significance. Board independence (BDI) had an insignificant positive effect on firm performance at with p-value > 0.05. This positive coefficient value of board independence means that increase in board independence would lead to an increase in firm performance but was statistically insignificant. The insignificant of the variable was because it failed the individual test of significance at p-value > 0.05 level of significance. The control variable, firm leverage (FL) had a significant negative effect on firm performance at p-value < 0.05. This positive coefficient value means that increase in firm leverage would lead to an increase in firm performance but it was statistically significant. This indicates that there was 99% confidence level that increase in firm leverage would significantly influence firm performance. The significant of the variable was because it passed the individual test of significance at p-value < 0.05 level of significance.

Discussion of Findings

The regression results showed that board size had an insignificant negative effect on firm performance at p -value > 0.05 level of significance. This implies that means that increase in board size would insignificantly lead to a decrease in firm performance. The result was consistent with the findings of Ogunmakin, et al. (2020) that board size had insignificant positive effect on firm performance while inconsistent with the Adebayo, et al. (2022) that board size has a significant effect on performance. Therefore, it was suggested the hypothesis was accepted that board size has no significant effect on firm performance of consumer goods firms in Nigeria. Board independence had an insignificant positive effect on firm performance at p -value > 0.05 level of significance. This means that increase in board independence would insignificantly lead to an increase in firm performance. The result was inconsistent with the findings of Attia, et al (2022) a significant and negative relationship between board independence and performance. Therefore, it was suggested the hypothesis was accepted that board size has no significant effect on firm performance of consumer goods firms in Nigeria.

Conclusion

The study examined the effect of corporate governance on firm performance of listed consumer foods firm in Nigeria. Corporate governance is increasingly perceived by policymakers as a strategy that enhances value within a competitive business landscape, and there exists a burgeoning consensus globally that effective corporate governance is positively correlated with national growth and development. The multivariate regression results showed that board size had an insignificant negative effect on firm performance and board independence had an insignificant positive effect on firm performance while the control variable, firm leverage had a significant negative effect on firm performance at 1% level of significance.

Recommendations

From the empirical finding, the study therefore recommended that:

- (i) Since board size insignificant negative effect on firm performance, management of listed consumer goods firm in Nigeria should ensure that the presence of larger board size drive the performance of company over time.
- (ii) Based on the positive coefficient of board independence, management should call for increase in the number of non-executive directors because it might contribute positively to the performance of company in the long-run.

Contribution Knowledge

Based on the empirical findings, the following contribution to knowledge was made:

- (i) It is contributed to the body of knowledge that board size is a corporate governance variable that does no influence firm performance in Nigeria.
- (ii) It is contributed to the body of knowledge that board independence is a corporate governance mechanism that might strongly influence firm performance in Nigeria.
- (iii) It is contributed to the body of knowledge that corporate governance variables had no power of affecting the performance of the firm in Nigeria listed companies.

The study focused on corporate governance and firm performance in Nigeria. The study sampled consumer goods firms in Nigeria for the collection of secondary data. Therefore, further studies should sample the entire manufacturing goods and explore other corporate governance variables not captured in this study like board meetings, board gender, and ownership structure.

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APPENDIX 1: RESULTS

Descriptive Statistics					
	N	Minim um	Maxim um	Mean	Std. Deviation
FP	158	-30.10	42.90	4.7866	8.94103
BS	158	4.00	18.00	10.3165	2.95419
BIND	158	33.33	93.33	72.2385	13.48465
FL	158	4.28	113.41	61.4994	18.56956
Valid N (listwise)	158				

Correlations					
		FP	BS	BIND	FL
FP	Pearson	1	-.131	.067	-.269**
	Correlation				
	Sig. (2-tailed)		.101	.402	.001
	N	158	158	158	158
BS	Pearson	-.131	1	.015	.001
	Correlation				
	Sig. (2-tailed)	.101		.855	.988
	N	158	158	158	158
BI	Pearson	.067	.015	1	-.101
ND	Correlation				
	Sig. (2-tailed)	.402	.855		.206
	N	158	158	158	158
FL	Pearson	-.269**	.001	-.101	1
	Correlation				
	Sig. (2-tailed)	.001	.988	.206	
	N	158	158	158	158

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

Collinearity Statistics		
Tolerance	VIF	
1.000	1.000	
.990	1.011	
.990	1.010	

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.302 ^a	.091	.074	8.60563	.883

a. Predictors: (Constant), FL, BS, BIND
b. Dependent Variable: FP

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficient	t	Sig.
		B	Std. Error			
1	(Constant)	14.704	5.153		2.854	.005
	BS	-.398	.233	-.131	-1.710	.089
	BIND	.028	.051	.042	.547	.585
	FL	-.127	.037	-.265	-3.429	.001

a. Dependent Variable: FP

UNIVERSITY OF BENIN MASS COMMUNICATION STUDENTS' PERCEPTION OF JOURNALISM PRACTICE IN THE DIGITAL AGE

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Abstract

The researchers examined the perceptions of mass communication students at the University of Benin (UNIBEN) of journalism practice in the digital age. Specifically, it explores their views on multimedia journalism and the economic challenges within the journalism industry. The study was anchored on Technological Determinism Theory while survey research design with structured questionnaire was employed as research design and instrument respectively. The population comprised 896 full-time mass communication undergraduates at the University. Simple random sampling technique was used in administering 201 copies of questionnaire on the respondents drawn using survey monkey sample size determiner while data gathered were analysed using simple percentage and presented in tables. Findings highlighted that while UNIBEN mass communication students recognise the importance of multimedia journalism in the digital age, there are concerns about their preparedness to use multimedia tools effectively. Also, the findings illustrate that Uniben mass communication students perceive the journalism industry as facing significant economic challenges, but they also recognise the potential for new career opportunities and solutions in the digital age. The researchers conclude that students are acutely aware of the significant shifts occurring in the media landscape, driven by digital technologies. While students acknowledge the potential benefits and opportunities these changes bring, they also express concerns about the challenges, including issues of credibility, professional standards, and economic viability. Based on these findings, the researchers recommend that universities should expand the curriculum to include more hands-on training in digital content creation and intensify comprehensive training on the business side of journalism.

Keywords: Mass Communication, Students, Perception, Journalism Practice, Digital Age

Introduction

In the contemporary era, the field of journalism is undergoing a transformative shift, primarily driven by rapid advancements in digital technologies. This evolution has fundamentally altered the landscape of mass communication, influencing how information is gathered, processed, and disseminated. Historically, journalism has been characterized by traditional media such as print, radio, and television, which have long served as the primary channels for news dissemination (Stephens, 2007; Baran, 2019). However, the advent of the internet and digital technologies in the late 20th and early 21st centuries have introduced new paradigms in media and communication. The digital age is marked by the proliferation of online news platforms, social media, and mobile communication, which have revolutionized the speed, accessibility, and interactivity of news consumption (Castells, 2010; Pavlik, 2013; Van Dijk, 2020).

One of the significant impacts of digital technology on journalism is the shift towards multimedia journalism. Traditional text-based reporting is now complemented by a variety of digital formats, including video, audio, infographics, and interactive content. This multimedia approach not only enhances storytelling but also caters to the diverse preferences of a global audience (Franklin, 2013; Hanson, 2021). For mass communication students, proficiency in these multimedia skills is becoming increasingly essential, prompting a re-evaluation of journalism education programmes (Kovach & Rosenstiel, 2021). Moreover, the rise of social media has introduced a new dimension to journalism practice. Platforms like X (formerly Twitter), Facebook, TikTok, YouTube, WhatsApp and Instagram have become vital tools for news gathering, dissemination, and audience engagement. These platforms allow journalists to interact with their audience in real-time, gather instant feedback, and track trends and public opinion. However, they also pose challenges, such as the spread of misinformation, ethical dilemmas, and the need for digital literacy (Hermida, 2010; Turow, 2019; Campbell, Martin & Fabos, 2020).

Furthermore, the digital age has also given rise to citizen journalism, where ordinary individuals can report news and share information through digital platforms. This phenomenon has democratized news production but also raised questions about credibility, accuracy, and professional standards in journalism (Allan & Thorsen, 2009; Westlund, 2013; Pavlik, 2019; Bradshaw, 2023). Also, the economic model of journalism is undergoing significant changes due to digital disruption. Traditional revenue streams, such as print subscriptions and advertising, have declined, leading media organizations to explore new business models, including digital subscriptions, paywalls, and sponsored content (Picard, 2011; McChesney, 2013). This economic uncertainty affects job prospects and career stability for aspiring journalists, influencing their perception of the industry and their career choices.

In light of these transformative changes, this study seeks to investigate the perception of mass communication undergraduates at University of Benin, Benin City, of journalism practice in the digital age.

Statement of the Problem

The advent of digital technology has dramatically transformed journalism, creating both opportunities and challenges for aspiring journalists. This shift necessitates a thorough understanding of how mass communication students perceive journalism practice in the digital age, as their attitudes and preparedness will shape the future of the industry. Traditionally, journalism education focused on print and broadcast media, emphasizing skills like writing and interviewing (Stephens, 2007). However, the digital age demands proficiency in multimedia journalism, including video production, audio editing, and data visualization (Franklin, 2013).

In addition, while social media has become an indispensable tool for news dissemination and audience engagement, it also poses challenges such as misinformation and ethical dilemmas (Hermida, 2010). Understanding how well students are equipped to navigate these challenges is essential for developing effective educational strategies. Economic challenges in the digital era have disrupted traditional revenue models, leading to financial instability for many news organizations (Picard, 2011).

Therefore, the problem this study seeks to address is the need to understand the perceptions of mass communication undergraduates at University of Benin towards journalism practice in the digital age. This includes their views on multimedia journalism, social media, citizen journalism, and the economic landscape of the industry.

Research Objectives

The objectives are to:

- i. Assess the perceptions of mass communication students towards multimedia journalism's relevance in the digital age.
- ii. Establish the perceptions of mass communication students concerning the career prospects in the journalism industry in the digital age.

Review of Concepts

Journalism

Journalism, as a field, is fundamentally concerned with the collection, verification, reporting, and dissemination of information to the public. It serves as a crucial pillar of democracy, providing citizens with the knowledge they need to make informed decisions (Asemah, 2022). The evolving landscape of media has prompted scholars to continually refine the definition of journalism to capture its changing dynamics.

According to Kovach & Rosenstiel (2021), journalism is the discipline of collecting, verifying, analyzing, and presenting information regarding current events, trends, issues, and people. The authors emphasize journalism's systematic approach to ensuring accuracy and comprehensiveness in reporting, underscoring its role in shaping public understanding and discourse. However, Schudson (2020) offers another perspective, defining journalism as the business and practice of producing and disseminating information and commentary about contemporary affairs of general public interest and importance. He highlights the dual nature of journalism as both a profession and a commercial enterprise, acknowledging its role in public service as well as its dependence on economic models.

Furthermore, Hanson (2021) frames journalism as a set of practices and conventions whereby news workers engage in the production and dissemination of timely, factual information in the public interest. This definition focuses on the procedural aspects of journalism, including the norms and standards that guide journalistic work, emphasizing its ethical dimensions and commitment to public service. Also, Potter (2021) opines that journalism is a social practice characterized by the gathering, assessing, creating, and presenting news and information, often in the face of significant challenges to its credibility and relevance. The author acknowledges the contemporary challenges facing journalism, such as misinformation and declining public trust, and highlights the resilience required to maintain journalistic integrity. Finally, Zelizer (2020) offers a broader cultural perspective, defining journalism as a cultural practice that shapes and is shaped by social norms, values, and power structures, with the primary aim of informing the public and fostering democratic engagement.

The author situates journalism within a wider social and cultural context, recognizing its role in reflecting and influencing societal values and power dynamics.

Digital Age

The digital age, also known as the information age, refers to the contemporary period characterized by the widespread use of digital technology and the internet (Aríjeníwa, Nwaoboli, Ajimokunola & Uwuoruya, 2022). It has fundamentally transformed how individuals communicate, work, and live, influencing various aspects of society, culture, and the economy. According to Castells (2010), the digital age is a historical period characterized by the shift from traditional industry to an economy based on information technology, leading to profound changes in social organization, culture, and politics. The author highlights the economic transformation driven by digital technologies and their broader societal impacts, emphasizing the global reach and interconnectedness facilitated by the internet. In the same vein, Schroeder (2018) describes the digital age as an era marked by the ubiquitous presence of digital devices and the internet, reshaping how information is created, shared, and consumed. The author focuses on the pervasive influence of digital devices and connectivity, noting the changes in information dynamics and the democratization of content creation and distribution.

Furthermore, Van Dijk (2020) opines that the digital age is a period in which digital networks and technologies play a central role in the functioning of societies, affecting communication, commerce, and governance. He underscores the centrality of digital networks in various domains of life, highlighting their role in enabling new forms of interaction, economic transactions, and administrative processes. Meanwhile, Campbell, Martin & Fabos (2020), offer a socio-cultural viewpoint, defining the digital age as an era where digital media profoundly influence social behaviour, cultural norms, and personal identities. The authors emphasize the cultural and social dimensions of the digital age, recognizing how digital media shape individual and collective identities, social practices, and cultural values. However, Fuchs (2021) defines the digital age as a time characterized by the integration of digital technologies into all aspects of life, leading to the emergence of new social relations, power structures, and ethical considerations. He draws attention to the transformative impact of digital technologies on social relations and power dynamics, as well as the ethical issues arising from pervasive digital integration.

Perception

Perception is a multifaceted concept that plays a critical role in understanding human behaviour and cognition. It involves the process by which individuals organize and interpret sensory information to give meaning to their environment. Over time, various scholars have provided numerous definitions and analyses of perception, each contributing to a richer understanding of this complex phenomenon.

One contemporary definition by Goldstein (2020) describes perception as the process by which sensory information is actively selected, organized, and interpreted by the brain to form a coherent representation of the world. The author emphasizes the active role of the brain in not just receiving sensory input but also shaping it into a meaningful experience. It highlights perception as a dynamic and constructive process. Similarly, Eysenck & Keane (2015) define perception as the means by which information from the environment is transformed into experiences of objects, events, sounds, and tastes. The authors underscore the transformative nature of perception, suggesting that it involves significant cognitive processing to convert raw sensory data into structured experiences. This approach aligns with cognitive psychology's emphasis on mental processes.

Furthermore, Mather (2016) offers a more detailed analysis, defining perception as a complex function that encompasses the selection, organization, and interpretation of sensory input, influenced by prior knowledge, expectations, and context. Mather's definition adds the dimensions of prior knowledge and context, recognizing that perception is not a purely bottom-up process but is also shaped by top-down influences. Another perspective is provided by Wolfe, Kluender, Levi, Bartoshuk, Herz, Klatzky & Lederman (2020), who define perception as the process by which the brain interprets and makes sense of sensory information to understand the environment and react appropriately. Wolfe and his co-authors focus on the adaptive function of perception, highlighting its role in helping individuals navigate and respond to their surroundings effectively.

Finally, Pautz (2021) posits that perception is an active process of hypothesis testing, where the brain uses past experiences to make predictions about sensory input. Pautz (2021) definition introduces the idea of perception as a predictive process, where the brain continuously generates and tests hypotheses based on sensory data and prior experiences. This predictive coding model reflects a more modern understanding of how perception operates at a neural level. Therefore, it can be seen that perception is not merely a passive reception of sensory data but involves significant cognitive processing, shaped by prior knowledge, expectations, and contextual factors.

Literature Review

Journalism Tools in the Digital Age

The digital age has introduced a plethora of tools that have significantly transformed journalistic practices. These tools enhance the efficiency, reach, and interactivity of journalism, enabling journalists to produce and distribute content in innovative ways. Some key journalism tools used in the digital age include, but not limited to:

- i. **Content Management Systems (CMS):** Platforms like WordPress, Drupal, and Joomla have become essential for managing and publishing online content. These systems offer user-friendly interfaces that allow journalists to easily upload, edit, and organize their stories. They also provide features for multimedia integration, social media sharing, and audience engagement, making them indispensable for modern newsrooms (Bradshaw, 2023).
- ii. **Social Media Tools:** Social media platforms such as X (formerly Twitter), Facebook, Instagram, YouTube, WhatsApp and TikTok serve as crucial tools for news dissemination, audience engagement, and sourcing information. Journalists use these platforms to share breaking news, connect with their audience, and gather real-time information from diverse sources. Tools like TweetDeck and Hootsuite help journalists manage multiple social media accounts, schedule posts, and monitor trends and conversations, enhancing their ability to stay updated and responsive (Hermida, 2010).
- iii. **Multimedia Tools:** The digital age has brought about a shift towards multimedia journalism, where storytelling is enhanced through the use of images, videos, audio, and interactive graphics. Tools like Adobe Creative Cloud (including Photoshop, Premiere Pro, and Illustrator) and Canva enable journalists to create high-quality visual content. Additionally, platforms like YouTube and SoundCloud provide venues for distributing video and audio reports, expanding the ways in which audiences can consume news (Pavlik, 2019).

- iv. **Data Journalism Tools:** With the rise of data journalism, tools that facilitate data collection, analysis, and visualization have become increasingly important. Software like Excel, Google Sheets, and more specialized tools like Tableau, Infogram, and Datawrapper enable journalists to interpret complex datasets and present their findings in visually engaging formats. These tools help uncover trends, patterns, and insights that enrich journalistic storytelling (Cohen et al., 2011).
- v. **Mobile Journalism Tools:** The proliferation of smartphones has made mobile journalism (mo-jo) a prominent aspect of news reporting. Journalists use mobile devices to capture photos, record videos, and live-stream events directly from the field. Apps like FiLMiC Pro, iMovie, and LumaFusion provide powerful editing capabilities on mobile devices, allowing journalists to produce professional-quality content on the go. Mobile journalism fosters immediacy and flexibility, enabling timely and authentic reporting (Westlund, 2013).
- vi. **Artificial Intelligence (AI) and Automation Tools:** AI is increasingly being integrated into journalism to automate routine tasks, analyze large volumes of data, and even generate news stories. Tools like Wordsmith and Heliograf use natural language processing to produce news articles from structured data. AI-driven analytics tools help journalists identify trending topics, track audience engagement, and optimize content strategies. These technologies enhance productivity and allow journalists to focus on more complex reporting tasks (Pavlik, 2019; Sjøvaag, 2024).
- vii. **Fact-Checking and Verification Tools:** In an era where misinformation and fake news are prevalent, tools for fact-checking and verification have become crucial. Platforms like FactCheck.org, Snopes, and tools such as Google Fact Check Explorer and TinEye assist journalists in verifying information and ensuring the accuracy of their reports. These tools help maintain credibility and trust in journalism by mitigating the spread of false information (Graves, 2016; La, 2023).

Influence of Digital Media/Technologies on Journalism in the Digital Age

The advent of digital media and technologies has fundamentally altered the landscape of journalism, transforming both its processes and its impact on society. This influence can be seen in several key areas, each highlighting different aspects of this profound change.

- i. **Speed and Immediacy:** Digital media has drastically increased the speed at which news is reported and consumed. Traditional journalism was often limited by publication schedules, but digital platforms enable real-time reporting. This immediacy allows journalists to cover events as they happen, providing timely updates to the public. However, this also pressures journalists to quickly verify information and maintain accuracy in their reporting ((Nwaoboli, 2021; Ayeni & Nwaoboli, 2023).
- ii. **Accessibility and Reach:** The internet has expanded the reach of journalism beyond geographic boundaries, allowing news to be accessible to a global audience. Digital platforms and social media enable news organizations to distribute content widely and engage with diverse audiences. This increased accessibility has democratized information, giving people around the world access to news that they might not have had before (Westlund, 2013; Schudson, 2020; Bradshaw, 2023).
- iii. **Interactivity and Engagement:** Digital technologies have introduced new forms of interactivity between journalists and their audiences. Social media platforms such as

Twitter and Facebook enable journalists to engage directly with readers, receive immediate feedback, and participate in public conversations. This interactivity fosters a more engaged and participatory audience, but it also requires journalists to navigate the challenges of managing online interactions and moderating comments (Hermida, 2010; Schroeder, 2018; Van Dijk, 2020; Fuchs, 2021).

- iv. **Multimedia and Storytelling:** The digital age has revolutionized storytelling in journalism through the integration of multimedia elements. Journalists can now enhance their reports with videos, audio clips, infographics, and interactive features, creating more engaging and comprehensive stories. Tools like Adobe Creative Cloud and platforms like YouTube and Instagram facilitate the creation and distribution of multimedia content, enriching the audience's experience (Castells, 2010; Turow, 2019; Campbell, Martin & Fabos, 2020; Hanson, 2021).
- v. **Data Journalism:** The availability of digital tools for data analysis and visualization has given rise to data journalism, which involves using data to uncover stories and provide deeper insights. Journalists can now analyze large datasets to identify trends, patterns, and anomalies, presenting their findings in visually compelling ways through tools like Tableau and Datawrapper. This approach enhances the depth and rigor of investigative journalism (Cohen et al., 2011).
- vi. **Economic Models and Revenue Streams:** Digital technologies have disrupted traditional economic models of journalism, leading to significant changes in how news organizations generate revenue. The decline of print advertising and the rise of digital advertising, coupled with the prevalence of free online content, have forced many news organizations to explore alternative revenue streams, such as subscription models, paywalls, and crowdfunding. This shift has implications for the sustainability and independence of journalism (McChesney, 2013).
- vii. **Innovation and Adaptation:** The continuous evolution of digital technologies requires journalists to constantly adapt and innovate. The rise of artificial intelligence (AI), virtual reality (VR), and augmented reality (AR) presents new opportunities for immersive storytelling and automation in news production. Journalists must stay abreast of technological advancements and develop new skills to effectively leverage these tools in their reporting (Sjøvaag, 2024).

Review of Empirical Studies

Nwosu, Ajagu & Anyaogu (2021) examined traditional journalists' perception of citizen journalism as a news source in Anambra State. Guided by four research questions, the rationale of the study was to discover the extent that traditional journalists in Anambra State perceive citizen journalism as a news source. The study made use of the source credibility theory and adopted the survey research design. Findings showed that a significant proportion of traditional journalists in Anambra State are exposed to citizen journalism. The research further revealed that a significant number of these journalists in Anambra State make use of citizen journalism posts. Furthermore, the researchers discovered that journalists in Anambra State consider citizen journalism as credible. They also found that a significant number of traditional journalists in Anambra State perceive citizen journalism as proper for the present era of journalism; they also see it as affecting traditional journalism in positive ways and say that it

is complementary. The researchers then recommended that since citizen journalism is gradually being accepted as a credible news source for traditional journalists, it would be imperative to encourage increased collaboration between them and traditional journalists for better journalistic engagement. While this study focused on citizen journalism as a trend in the digital age, it did to explore other aspects of digital journalism. This will be addressed in the present study.

Udoh, Nsude, Oyeleke & Ezeali (2022) examined the perception of Journalists in Ebonyi State on Artificial Intelligence for News Writing. The rationale of the study was to investigate how journalists in Ebonyi Sate perceive artificial intelligence for news writing. The study used Media richness theory (MRT) as theoretical framework and adopted a descriptive survey design, using all the 230 registered members of the NUJ, Ebonyi State chapter as population. Data was generated using census sampling method and 230 copies of questionnaire were administered to the respondents. Data generated from the field were analysed using frequency and percentage. Findings revealed that journalists in Ebonyi State were aware of artificial intelligence for news writing but do not believe that news from this source is reliable. The researchers concluded that that journalists in Ebonyi State are aware of the new technology that enable news articles to be written with little or no human intervention. The study recommended that, journalists in Ebonyi State should embrace artificial intelligence in this digital age, among others. While this study focused on AI's influence on journalism practice, it did not include other digital tools. The present study attempts to fill this gap.

Theoretical Framework

Perception theory

This theory has its roots in various fields, including psychology, sociology, and communication studies. The tenets of perception theory include subjective interpretation, selective perception, and contextual influence (Asemah & Nwaoboli, 2023). Individuals' perceptions are shaped by their unique experiences and environments, and they selectively interpret information based on their interests, needs, and biases. Context also plays a significant role in shaping perception, as the environment and circumstances in which information is received can influence interpretation (Nwaoboli & Asemah, 2023).

In the context of this study on University of Benin Mass Communication students' perception of journalism practice in the digital age, perception theory provides a framework for understanding how these students perceive and interpret the impact of digital technologies on journalism. The theory suggests that their perceptions will be shaped by their experiences, environment, and interactions with digital technologies. Through applying perception theory, this study aims to gain insights into the students' perceptions and how they influence their attitudes and practices regarding journalism in the digital age.

Methodology

This study adopted a survey design which implies the use of questionnaire to collect field data. The research population of this study comprised the Mass Communication undergraduates at University of Benin (UNIBEN) in Benin City, Edo State. According to the statistics made available to the researcher, the total number of registered students for the 2023/2024 academic session stood at 896 students (UNIBEN Mass Communication Departmental Data, 2024). In determining the sample size, the researcher applied *Survey Monkey* Sample Size Calculator. In the calculation, at 95% confidence level and 6.1% margin of error, the sample size derived was 201. The 6.1% margin of error is justified as it strikes a balance between precision and sample size, falling within the commonly accepted range in social sciences research. In terms of

sampling technique, simple random sampling was used. This research adopted the internal consistency reliability which provides a unique estimate of reliability for the instrument administered. Using the correlation matrix, the reliability coefficient of the research instrument was 0.93 Data were analysed using sample percentages and presented in frequency distribution tables.

Data Presentation and Analysis

TABLE 1: Respondents' Perception on Multimedia Journalism's Relevance in the Digital Age

Statements	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total (%)
The inclusion of multimedia elements (video, audio, infographics) enhances the quality of news reporting	5 (2.5%)	12 (6%)	8 (4%)	70 (34.8%)	106 (52.7%)	201 (100%)
Multimedia journalism is essential for engaging a modern audience	10 (5%)	32 (15.9%)	25 (12.4%)	55 (27.4%)	79 (39.3%)	201 (100%)
My journalism courses adequately prepare me to create multimedia content	25 (12.4%)	75 (37.3%)	23 (11.4%)	60 (29.9%)	18 (9%)	201 (100%)

The data on Table 1 show that most respondents believe multimedia enhances news quality, with over 87% agreeing or strongly agreeing. This suggests strong support for using diverse media formats in journalism. However, confidence in using multimedia tools is low. Over half of respondents disagreed with the statement, indicating a need for better training. Many agree that multimedia is essential for engaging modern audiences. About 67% supported this, highlighting the shift toward interactive and visual content. When asked if courses prepare them for multimedia work, responses were mixed. Nearly half disagreed, suggesting a gap between education and industry needs. On whether multimedia skills are more important than writing, opinions varied. While more respondents agreed than disagreed, a significant portion still value traditional writing. Overall, the data suggests strong recognition of multimedia's importance, but also highlights concerns about skills and education.

Table 2: Respondents' Views on Economic Aspects of Journalism in the Digital Age

Statements	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total (%)
I am concerned about the economic viability of a career in journalism	32 (15.9%)	54 (26.9%)	24 (11.9%)	39 (19.4%)	52 (25.9%)	201 (100%)
Digital subscriptions and paywalls are effective solutions to the economic challenges in journalism	25 (12.4%)	33 (18.9%)	13 (6.5%)	69 (34.3%)	56 (27.9%)	201 (100%)
I believe there are ample job opportunities for journalists in the digital age	16 (8%)	43 (21.4%)	10 (5%)	70 (34.8%)	62 (30.8%)	201 (100%)
My journalism education has prepared me to navigate the economic challenges of the industry	45 (22.4%)	64 (31.8%)	11 (5.5%)	40 (19.9%)	41 (20.4%)	201 (100%)

Sponsored content and native advertising compromise journalistic integrity	28 (13.9%)	42 (20.9%)	14 (7%)	55 (27.4%)	62 (30.8%)	201 (100%)
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Many respondents are concerned about the financial future of journalism. Over 45% agreed or strongly agreed, reflecting worries about job stability and income. Views on paywalls and digital subscriptions were mixed. While 62% saw them as effective, a notable portion remained unsure or sceptical. Most respondents (65%) believe there are job opportunities in digital journalism, suggesting optimism about the evolving media landscape. However, over half said their education does not prepare them for economic challenges, indicating a gap in training on financial aspects of the industry. A majority also felt that sponsored content harms journalistic integrity, showing concerns about commercial influence and credibility.

Discussion of Findings

In the course of this study, many findings were made in the quest to provide answers to the pertinent questions that necessitated this study. The findings of research objective 1 reveal that mass communication students recognise the increasing significance of multimedia journalism in the digital age, but there are notable differences in their perceptions of its importance and their preparedness to use it effectively. The overwhelming consensus from the respondents is that multimedia elements, such as video, audio, and infographics, are crucial in enhancing the quality of news reporting. This is particularly evident from the large majority who either agree or strongly agree with the statement that multimedia improves news content. This suggests that students acknowledge the role of multimedia in making news more engaging, accessible, and impactful. The recognition of its importance aligns with the broader trends in the media industry, where multimedia content is increasingly favoured for its ability to capture the attention of audiences across digital platforms.

However, while students acknowledge the significance of multimedia in journalism, their confidence in using multimedia tools is more mixed. A substantial portion of respondents express a lack of confidence in their ability to use multimedia tools for journalism, with a majority indicating that they do not feel adequately prepared in this area. This highlights a disconnect between the growing importance of multimedia skills in journalism and the students' preparedness to apply them in practice. The lack of adequate training may point to gaps in the current mass communication curriculum, which could benefit from incorporating more practical multimedia training to equip students with the necessary skills for the digital media landscape. When it comes to the perceived relevance of multimedia journalism in engaging modern audiences, the students overwhelmingly agree that multimedia is essential. This reflects the wider shift in journalism towards more interactive and visually-driven content, which is especially critical in attracting younger, digital-native audiences. Students clearly understand that to remain relevant in a rapidly evolving media environment, journalists must embrace multimedia tools to meet audience expectations for dynamic and engaging content. This perception suggests that students are attuned to the demands of the digital age, where multimedia journalism is not only a complement to traditional storytelling but an essential aspect of it.

Despite their awareness of the importance of multimedia, the students' perception of their education in preparing them for multimedia journalism is less positive. A significant proportion of respondents feel that their journalism courses have not adequately prepared them to create multimedia content. This finding points to a potential shortfall in the curriculum, which may not be keeping pace with the changing demands of the industry. A significant

portion of respondents believe that the ability to create multimedia content is more crucial than traditional writing skills. This reflects the growing emphasis on digital literacy, with multimedia skills seen as essential for navigating the modern media landscape. However, there is also a minority who still value traditional writing skills, indicating that there is a recognition that writing remains a foundational skill in journalism. This division suggests that while multimedia is crucial, writing continues to hold a central role in the profession, and a balance between both sets of skills is likely necessary for successful journalism in the digital age.

Therefore, the findings highlight that while mass communication students recognise the importance of multimedia journalism in the digital age, there are concerns about their preparedness to use multimedia tools effectively. This suggests that while students are aware of the industry's shift towards multimedia content, there is a clear need for stronger integration of multimedia training within journalism education to better equip students for the evolving demands of the profession.

The findings of research objective 2 reveal that mass communication students have a mixed outlook on the economic challenges and career prospects within the journalism industry in the digital age. While concerns about the economic viability of a career in journalism are widespread, there is also a recognition of potential solutions and opportunities within the industry, particularly in relation to digital platforms.

A significant proportion of students express concern about the economic viability of a career in journalism, indicating a prevalent sense of uncertainty about their future in the profession. Many respondents strongly agree or agree that they are worried about the financial sustainability of pursuing a journalism career. This concern may stem from the broader economic challenges facing the journalism industry, including the decline of print media, reduced advertising revenues, and the rise of digital platforms that have disrupted traditional business models. The data reflects a general apprehension about job security and the ability to generate a stable income within the field, suggesting that students are aware of the economic pressures that journalists face in the digital age. However, despite these concerns, there is a recognition among students that digital subscription models and paywalls could offer potential solutions to the economic challenges in journalism. A significant number of students agree or strongly agree that these models are effective ways of addressing the financial struggles faced by news organisations. This suggests that students recognise the growing importance of digital revenue streams in sustaining journalism in the digital era. With the increasing shift to online news consumption, students seem to acknowledge that relying on subscriptions and paywalls could be a viable way for media outlets to generate income and remain financially viable, especially as advertising revenues continue to decline.

In terms of career prospects, students express a somewhat optimistic view regarding the availability of job opportunities in the digital age. While a portion of respondents are uncertain about the abundance of opportunities, the majority agree or strongly agree that there are ample job prospects for journalists in the evolving digital landscape. This indicates that students are aware of the expansion of digital platforms, which have created new roles and opportunities within the journalism industry, such as social media managers, content creators, digital editors, and multimedia specialists. The growing demand for digital content and the shift to online media platforms appear to offer promising career paths for journalism graduates, albeit in a more dynamic and rapidly changing environment. Despite the perceived job opportunities, students remain somewhat sceptical about the preparation they have received to navigate the economic challenges of the industry. Many respondents feel that their journalism education has not adequately prepared them to address the economic realities of the field. This points to a potential gap in the curriculum, where students may be trained in the craft of journalism but are not given enough insight into the business side of the industry, such as revenue models,

financial management, and entrepreneurial skills. The lack of preparation in this area suggests a need for educational programmes to integrate more comprehensive training on the economic aspects of journalism, particularly in the digital age, where traditional revenue models are increasingly being questioned.

Lastly, the students' views on sponsored content and native advertising reflect ethical concerns regarding the economic pressures on journalism. Many students agree that such content compromises journalistic integrity, highlighting the tension between the financial imperatives of modern media outlets and the ethical responsibilities of journalism. The significant concern about the impact of sponsored content on journalistic standards suggests that students value ethical journalism and may be wary of the potential conflicts that arise when commercial interests influence editorial content. This indicates that while students are aware of the financial challenges in the industry, they are also deeply concerned about preserving the credibility and integrity of journalism.

Accordingly, the findings illustrate that mass communication students perceive the journalism industry as facing significant economic challenges, but they also recognise the potential for new career opportunities and solutions in the digital age. While concerns about job security and the financial sustainability of journalism are prevalent, there is optimism regarding the growth of digital platforms and the opportunities they present. However, the findings also highlight the need for stronger educational preparation in addressing the economic realities of the industry, as well as the importance of balancing financial viability with maintaining journalistic integrity.

Conclusion

The study of mass communication students at the University of Benin (Uniben) provides valuable insights into how they perceive journalism practice in the digital age. The researchers conclude that students are acutely aware of the significant shifts occurring in the media landscape, driven by digital technologies. While students acknowledge the potential benefits and opportunities these changes bring, they also express concerns about the challenges, including issues of credibility, professional standards, and economic viability. In line with the findings and conclusion of the study, the following recommendations are made:

- i. Given the students' recognition of the importance of multimedia journalism but their lack of confidence in using multimedia tools, it is crucial for universities to expand the curriculum to include more hands-on training in digital content creation. This could include workshops on video editing, audio production, and infographic design, as well as more practical assignments that enable students to produce and publish multimedia content.
- ii. As students express concerns about the economic viability of a journalism career, it is important for universities to intensify comprehensive training on the business side of journalism. This could include topics such as media economics, digital revenue models and strategies for adapting to the changing media landscape. Providing students with knowledge of these areas would better equip them to pursue sustainable careers in journalism in the digital age.

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APPENDIX 1: Data Regression

SN	COMPANIES	YEAR	FP	BS	BIND	FL
1	Cadbury Nig	2014	5.25	7	57.14	59.95
	Cadbury Nig	2015	4.06	7	57.14	56.77
	Cadbury Nig	2016	-1.04	9	55.56	61.06
	Cadbury Nig	2017	1.06	9	66.67	58.69
	Cadbury Nig	2018	2.99	7	71.43	53.95
	Cadbury Nig	2019	3.72	8	62.50	52.90
	Cadbury Nig	2020	2.81	8	75.00	59.20
	Cadbury Nig	2021	1.03	7	71.43	68.79
	Cadbury Nig	2022	0.98	7	71.43	77.72
	Cadbury Nig	2023	-30.10	6	66.67	110.27
2	Champion Breweries	2014	-7.87	11	81.82	38.80
	Champion Breweries	2015	0.75	9	77.78	31.05
	Champion Breweries	2016	5.32	11	81.82	22.99
	Champion Breweries	2017	5.13	11	90.91	19.36
	Champion Breweries	2018	-2.52	12	91.67	24.33
	Champion Breweries	2019	1.53	14	92.86	26.86
	Champion Breweries	2020	1.40	11	90.91	29.25
	Champion Breweries	2021	7.30	11	90.91	31.64
	Champion Breweries	2022	10.26	9	88.89	28.05
	Champion Breweries	2023	1.80	9	88.89	45.53
3	Dangote Sugar	2014	22.63	9	77.78	44.60
	Dangote Sugar	2015	19.84	9	77.78	43.34
	Dangote Sugar	2016	21.76	9	77.78	62.92
	Dangote Sugar	2017	42.90	9	88.89	52.46

	Dangote Sugar	2018	22.20	9	88.89	43.48
	Dangote Sugar	2019	20.68	8	87.50	44.17
	Dangote Sugar	2020	10.71	9	88.89	55.14
	Dangote Sugar	2021	6.13	9	77.78	64.22
	Dangote Sugar	2022	11.12	8	75.00	65.23
	Dangote Sugar	2023	-12.28	10	80.00	86.81
4	Flour Mills Of Nigeria	2014	1.81	14	71.43	71.89
	Flour Mills Of Nigeria	2015	2.47	15	73.33	75.40
	Flour Mills Of Nigeria	2016	4.18	14	71.43	72.27
	Flour Mills Of Nigeria	2017	1.83	15	93.33	78.75
	Flour Mills Of Nigeria	2018	3.33	14	92.86	63.12
	Flour Mills Of Nigeria	2019	0.96	14	92.86	63.78
	Flour Mills Of Nigeria	2020	2.63	15	73.33	96.39
	Flour Mills Of Nigeria	2021	4.72	16	87.50	67.95
	Flour Mills Of Nigeria	2023	2.69	15	86.67	79.48
5	Guinness Nig	2014	7.23	14	78.57	65.95
	Guinness Nig	2015	6.38	15	80.00	60.46
	Guinness Nig	2016	-1.47	14	64.29	69.59
	Guinness Nig	2017	1.32	14	64.29	70.59
	Guinness Nig	2018	4.38	15	80.00	4.28
	Guinness Nig	2019	3.41	15	86.67	44.61
	Guinness Nig	2020	-8.73	11	84.62	49.33
	Guinness Nig	2021	0.74	11	84.62	56.15
	Guinness Nig	2022	7.26	11	84.62	58.28
	Guinness Nig	2023	-7.52	13	77.78	76.66
6	Honywell Flour Mill	2014	5.25	12	50.00	67.72
	Honywell Flour Mill	2015	1.65	15	66.67	70.10
	Honywell Flour Mill	2016	-3.98	15	60.00	78.48
	Honywell Flour Mill	2017	3.80	15	73.33	53.75
	Honywell Flour Mill	2018	3.55	15	66.67	54.83
	Honywell Flour Mill	2019	0.05	10	80.00	58.79
	Honywell Flour Mill	2020	0.46	9	77.78	59.73
	Honywell Flour Mill	2021	0.76	9	77.78	60.67
	Honywell Flour Mill	2022	-0.66	9	88.89	62.35
	Honywell Flour Mill	2023	0.16	8	87.50	80.01
7	International Breweries	2014	8.64	14	71.43	53.76
	International Breweries	2015	6.45	14	71.43	59.67
	International Breweries	2016	7.92	14	78.57	58.19
	International Breweries	2017	2.30	13	84.62	69.13
	International Breweries	2018	-1.25	18	88.89	88.67
	International Breweries	2019	-7.61	16	43.75	97.96
	International Breweries	2020	-3.32	12	41.67	59.28
	International Breweries	2021	-3.76	14	72.73	71.21
	International Breweries	2022	-4.47	14	72.73	75.77
	International Breweries	2023	-8.11	14	72.73	83.01

8	Menichols Consolidated	2014	10.72	6	66.67	41.33
	Menichols Consolidated	2015	14.36	6	66.67	38.01
	Menichols Consolidated	2016	12.17	6	66.67	36.54
	Menichols Consolidated	2017	7.09	4	75.00	39.59
	Menichols Consolidated	2018	4.75	4	75.00	59.65
	Menichols Consolidated	2019	2.37	5	80.00	52.05
	Menichols Consolidated	2020	2.50	5	80.00	50.32
	Menichols Consolidated	2021	21.27	7	85.71	48.14
	Menichols Consolidated	2022	5.24	7	85.71	41.80
9	Nascon Allied	2014	14.87	9	77.78	49.77
	Nascon Allied	2015	12.92	10	80.00	56.50
	Nascon Allied	2016	9.82	10	70.00	67.30
	Nascon Allied	2017	17.74	10	80.00	61.71
	Nascon Allied	2018	14.60	10	80.00	60.71
	Nascon Allied	2019	4.77	10	80.00	71.32
	Nascon Allied	2020	6.07	10	80.00	71.29
	Nascon Allied	2021	7.33	10	80.00	63.89
	Nascon Allied	2022	9.85	10	80.00	65.71
	Nascon Allied	2023	16.42	10	90.00	67.14
	10	Nestle Nig	2014	20.96	9	71.43
Nestle Nig		2015	19.91	8	71.43	68.12
Nestle Nig		2016	4.67	9	66.67	81.79
Nestle Nig		2017	22.97	8	66.67	69.43
Nestle Nig		2018	26.49	8	83.33	69.06
Nestle Nig		2019	23.62	8	83.33	76.44
Nestle Nig		2020	15.93	8	83.33	88.10
Nestle Nig		2021	12.91	9	66.67	88.10
Nestle Nig		2022	11.80	10	60.00	93.11
Nestle Nig		2023	-13.66	11	63.64	113.41
11		Nigeria Breweries	2014	12.18	17	52.94
	Nigeria Breweries	2015	10.68	17	52.94	51.62
	Nigeria Breweries	2016	7.74	15	53.33	54.81
	Nigeria Breweries	2017	8.65	14	64.29	53.35
	Nigeria Breweries	2018	5.01	17	76.47	57.03
	Nigeria Breweries	2019	4.21	11	81.82	56.18
	Nigeria Breweries	2020	1.65	11	81.82	63.85
	Nigeria Breweries	2021	2.61	11	81.82	90.71
	Nigeria Breweries	2022	2.13	10	83.33	70.98
	Nigeria Breweries	2023	-13.36	10	80.00	92.05
	12	Nigerian Enamelware	2014	2.79	7	71.43
Nigerian Enamelware		2015	1.48	7	71.43	74.01
Nigerian Enamelware		2016	2.94	6	66.67	68.93
Nigerian Enamelware		2017	0.77	6	66.67	75.51

	Nigerian Enamelware	2018	-0.07	6	83.33	68.89
	Nigerian Enamelware	2019	-5.51	6	83.33	73.02
	Nigerian Enamelware	2020	-7.03	6	83.33	83.33
	Nigerian Enamelware	2021	-5.96	6	83.33	87.97
	Nigerian Enamelware	2022	-9.78	7	42.86	96.72
	Nigerian Enamelware	2023	27.93	7	42.86	69.67
13	Nigerian Northen Flour Mill	2014	7.15	12	66.67	45.70
	Nigerian Northen Flour Mill	2015	-4.85	12	66.67	99.51
	Nigerian Northen Flour Mill	2016	-5.01	12	50.00	12.42
	Nigerian Northen Flour Mill	2017	-0.37	12	83.33	71.42
	Nigerian Northen Flour Mill	2018	-1.03	12	83.33	80.16
	Nigerian Northen Flour Mill	2019	-0.63	10	90.00	76.95
	Nigerian Northen Flour Mill	2020	0.76	10	90.00	67.39
	Nigerian Northen Flour Mill	2021	0.95	10	70.00	62.15
	Nigerian Northen Flour Mill	2022	0.61	11	63.64	78.56
	Nigerian Northen Flour Mill	2023	1.53	11	63.64	63.09
14	Pz Cussons	2014	7.16	12	33.33	36.44
	Pz Cussons	2015	6.78	10	80.00	38.51
	Pz Cussons	2016	2.86	11	45.45	41.69
	Pz Cussons	2017	4.09	11	45.45	49.90
	Pz Cussons	2018	2.17	11	45.45	49.10
	Pz Cussons	2019	1.45	10	50.00	42.76
	Pz Cussons	2020	-9.23	9	66.67	55.95
	Pz Cussons	2021	2.04	7	57.14	63.63
	Pz Cussons	2022	6.12	7	57.14	65.53
	Pz Cussons	2023	8.62	7	71.43	70.93
15	Unilever Nig	2014	5.27	7	42.86	83.65
	Unilever Nig	2015	2.38	10	50.00	84.05
	Unilever Nig	2016	4.24	9	66.67	83.87
	Unilever Nig	2017	6.15	10	70.00	37.31
	Unilever Nig	2018	6.93	10	70.00	37.21
	Unilever Nig	2019	-7.16	9	66.67	35.83
	Unilever Nig	2020	-4.11	10	70.00	32.11
	Unilever Nig	2021	0.64	10	80.00	39.27
	Unilever Nig	2022	3.56	10	60.00	46.12
	Unilever Nig	2023	14.11	11	54.55	35.94
16	Vitafoam Nig	2014	3.64	9	44.44	74.72

Vitafoam Nig	2015	1.72	10	40.00	68.02
Vitafoam Nig	2016	-0.24	8	50.00	73.71
Vitafoam Nig	2017	-0.95	10	70.00	74.84
Vitafoam Nig	2018	3.75	8	87.50	75.79
Vitafoam Nig	2019	17.83	11	63.64	56.81
Vitafoam Nig	2020	18.10	10	60.00	58.22
Vitafoam Nig	2021	14.46	10	60.00	59.31
Vitafoam Nig	2022	11.47	9	66.67	60.27
Vitafoam Nig	2023	8.81	11	54.55	64.95

TRAINING AS A TOOL FOR EMPLOYEE PRODUCTIVITY IN FREE RECYCLE LIMITED, IBADAN

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Abstract

The study investigated the influence of training on employee productivity. The objectives were to explore the influence of training on quality of work, determine the influence of training on accuracy and speed, and investigate the influence of training on number of tasks completed. The study was a survey which employed descriptive design. A total of 255 respondents were selected for the study out of which 51 respondents representing 20% of the entire population was used. Questionnaire was used to collect data from the respondents. The hypotheses were tested using correlation analysis with the aid of Statistical Package for Social Sciences SPSS (Version 23.0). The findings of hypothesis one revealed that there was a positive relationship between training and quality of work at p-value 0.002 ($p < 0.05$). The findings from hypothesis two revealed that there was a positive relationship between training and accuracy and speed at p-value 0.000 ($p < 0.01$). The findings of hypothesis three revealed that there was a weak relationship between training and number of tasks completed at p-value 0.048 ($p < 0.05$). The study concluded there was a positive relationship between training and employee productivity in Freee Recycle Limited. The study recommends that adequate and robust training should be provided to employees to boost the overall productivity of the organisation.

Introduction

Employee productivity is said to be an assessment of employee output within a given period measured against predetermined targets and goals (Olasanmi, Olajide, & Ojubanire, 2021). Most organisations have predetermined goals and targets for employees to achieve, be it on a daily, weekly, monthly, or yearly basis (Olasanmi et al., 2021). It is through these targets that employees are assessed. Employee productivity can be enhanced through training, the provision of the right tools for work assigned, and the formation of a recruitment culture for the talents an organisation seeks (Abebe, 2018). Organisations that value training for their employees enjoy talent development outcomes and overall employee productivity is outstanding (Haymanot, 2019; Helal, 2022). Having a well-trained workforce with the

necessary skills, competencies, and talent enables employees to work better, reduce errors, and increase their confidence and morale which will invariably lead to improved employee performance (Mohammed, Mohammed, & Gana, 2022).

Nevertheless, employee productivity has been negatively affected by poor training methods due to unqualified trainers (Sothy, 2019). There have also been inconsistencies in training programs and limited funds to support training programs in Nigerian organisations (Okeke, Onyekwelu, Akpua, & Dunkwu 2019). Technological change is also one of the fundamental issues that has shaped the actualization of employee productivity negatively (Okeke et al., 2019). Technology has been changing rapidly, and the use of technology in business is growing especially in this modern business environment. Training plays a vital role in achieving business goals by increasing employees' knowledge, skills, and attitudes. Samwe (2018) suggested that adequate training programs are necessary for the attainment of organisational goals. The goal of training is to increase both individual and organisational effectiveness (Samwe, 2018). Nowadays, one of the most talked-about issues is employee training, since it benefits the company in many ways. Some employees are required to execute everyday business operations and maintenance and this can only be accomplished when employees are given necessary and adequate training (Kishore & Michael, 2023).

Improved capabilities, knowledge, and skills of the talented workforce proved to be a major source of competitive advantage in a global market (McKinsey, 2006). Developing the desired knowledge, skills, and abilities of the employees, to perform well on the job, requires effective training programs that may also affect employee motivation and commitment (Meyer & Allen, 1991). To prepare their workers to do their job as desired, organisations provide training to optimize their employee's potential. Most firms, by applying long-term planning, invest in building new skills in their workforce, enabling them to cope with the uncertain conditions that they may face in the future, thus, improving employee performance through a superior level of motivation and commitment (Meyer & Allen, 1991). When employees recognize their organisation is interested in offering training programs, they in turn apply their best efforts to achieve organisational goals and show high performance on the job. It is not news that employees are the most valuable asset of every company as they can make or break a company's reputation and can adversely affect the profitability level of a particular organization (McKinsey, 2006). Without proper training, employees both new and current do not receive the information and develop the skill sets necessary for accomplishing their tasks at their maximum potential. Employees who undergo proper training tend to keep their jobs longer than those who do not (Amir & Amen, 2013). Training is a necessity in the workplace. Without it, employees do not have a firm grasp of their responsibilities or duties (Meyyer & Allen, 1991).

Employee training refers to programs that provide workers with information, new skills, or professional development opportunities that a certain organisation needs. Companies aimed at gaining a competitive advantage realized the importance of training in improving the employee's performance. Past researchers provide evidence regarding the positive effect of training programs on both employee and organisational performance. On one hand, previous work in the field proved that effective training programs lead to superior return on investment while other researchers mentioned the positive role of training in attaining supreme levels of employee retention (Colarelli & Montei, 1996; Becker, 1993). Due to fast-paced global and technological development, the firms are now facing new changes as well as challenges. Technological advancements have molded the need of capabilities and competencies required to perform a particular task.

Statement of the Problem

The need for organisations to have unique and very competitive employees enables organisations to adopt diversified strategies and procedures to be able to keep up the pace (Nobari, Ghalipour, Ebrahimi, & Shoja, 2021). These practices do ensure that qualified staff are recruited to work in well-remunerated job positions. They, in turn, deliver the assigned goals with less strain and more zeal since their skills are well appreciated in the organisation (Singh & Chaudhary, 2022). That notwithstanding, the slowdown in the economy which has been indicated by low budget allocation on training has been demoralizing the employees to deliver their best (Phillips & Phillips, 2016). Employee productivity is aided by relevant training programs apportioned to members of staff of any organisation. Within the context of Freee Recycle Limited, inadequacy of training programs has really shaped the productivity of the organisation negatively especially in the areas of material wastages, man hour loss, and quality product etc. In addition, some expected tasks to be undertaken are now taking more time than required time owing to shortcomings in training, the speed at which a task should be completed has reduce drastically all due to training shortcomings. This paper's goal was to determine how training serves as a veritable and important tool for employee productivity in Freee Recycle Limited, Ibadan, South West, Nigeria.

Objectives of the Study

The broad objective of the study was to determine how training serves as an important tool for employee productivity. Other specific objectives were to;

- i. determine the relationship between training and quality of work (a dimension of employee productivity) in Freee Recycle Limited
- ii. investigate the relationship between training and number of tasks completed (a dimension of employee productivity) in Freee Recycle Limited
- iii. predict the relationship between training and accuracy and speed (a dimension of employee productivity) in Freee Recycle Limited

Research Hypotheses

H₀₁: There is no relationship between training and quality of work (a dimension of employee productivity) in Freee Recycle Limited

H₀₂: there is no relationship between training and number of tasks completed (a dimension of employee productivity) in Freee Recycle Limited

H₀₃: There is no relationship between training and accuracy and speed (a dimension of employee productivity) in Freee Recycle Limited

Literature Review

Conceptual Review

Meaning and Concept of Training

Training is the learning process that is an indispensable part of human resource development. According to Abbas (2014), training is an essential element to an employee for the development of companies to him, because some of the employees lack knowledge, skills, and competencies and they failed to accomplish a task on a timely basis. Besides, training is a learning activity directed towards the acquisition of specific knowledge and skills for an

occupation or task accomplishment (Abbas, 2004). The focus of training is the job or task for example, the need to have efficiency and safety in operation of particular machines or equipment, or the need for an effective sales force to mention but a few (Cole, 2002). According to Saleem, Shahid, and Naseem, (2011), training is an organized increase in the know-how skills and sensations needed for staff members to execute efficiently in the offered process, as well as, to operate in underlying situations. Furthermore, training also effectively increases the abilities of employees by motivating them and converting them into well-organized and well-mannered, which ultimately affects the performance of an organisation. However, Laing (2009) defined training as an indicator to enhance superior skills, knowledge, capabilities, and outlook of the employees that result in the effective performance of the workers. Moreover, he added one more thing, that is, training extends the production of the organization (Laing, 2009). In line with this, it is believed that training is an important means to improve the employee's productivity which ultimately affects organisational performance and effectiveness (Singh & Mohanty, 2012).

According to Nunvi (2006), training programs are directed toward maintaining and improving current job performance while development seeks to improve skills for future jobs. Armstrong (1996), emphasized that training should be developed and practiced within the organisation by appreciating learning of theories and approaches if training is to be well understood. Training is a type of activity that is planned, and it results in an enhanced level of skill, knowledge, and competency that is necessary to perform work effectively (Gordon, 1992). Singh and Mohanty (2012) explained in their research that training is an important tool to enhance workforce performance that ultimately increases the worth of an organisation. Besides, Chris (2011) believed that employee training is essential for the organisation to develop the performance of the employees and organisation should evaluate the training program as per the objectives and missions. In the same way, training enhances the skills that is about a particular job while development has its scope stretched across the growth and personal development of the employees (Obisi, 2011).

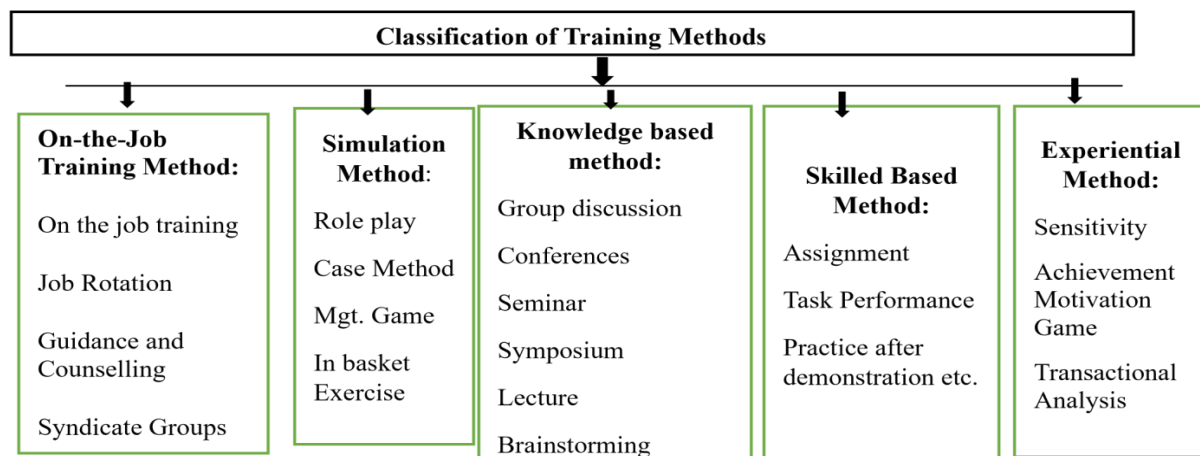
Moreover, Cambell (1971) opined that training improves the skill level of technical staff during a short period for a specific objective while development allows the managers to learn and grow during a long-term learning period having wide-ranging objectives. Training is the act of increasing the knowledge, skills, and abilities of an employee for doing a specific job. On the other hand, training must be talked about in such a way that it covers the employee's performance. In addition to the previous arguments, McConnell (2004) supported a partnership approach between the employees and their companies in determining training needs, as well as the involvement of the employees in setting up training goals. Besides (Mehrdad, Mahdi, & Ali, 2009) also said that training techniques are classified into behavioural or On-the-job (orientations, job instruction training, apprenticeships, internships and assistantships, job rotation, and coaching) and cognitive or off-the-job (Lectures, computer-based training, games, and simulations, etc. Mahbuba (2013) assumed that the trainer's role is shifting from a simple role of providing skills to an active communicator, who makes an effort to achieve training as well as organisational objectives. The main objective of the training is to improve the knowledge and skills and change the attitude and behaviour of the employees so that they can easily adapt to the new technology in the organisation for production (Mahbuba, 2013). As a result, the turnover and absenteeism rate will be less. Well-trained employees show both quantity and quality performance. There is less wastage of time, money, and resources if employees are properly trained (James, Daniel, & Wanyoike, 2014).

Training Needs Assessment

As noted by Garba (2019), training needs assessment is the process of identifying gaps in the skills and knowledge of employees within a company and finding appropriate solutions to address these gaps through training. This appraisal system is a crucial requirement for any training program, as highlighted by Elnaga and Imran (2013). Mamma and Aminu (2014) further stress the significance of analyzing training needs for training programs to have a positive impact on an organisation. By conducting a training needs assessment, a company can allocate its resources effectively and target areas that would enhance the development, morale, and overall performance of its employees. Neglecting this process may result in training that is irrelevant to the organisation's needs and undermines the skills required by its workforce. In today's workplace, managers are responsible for managing teams and overseeing training and development, and thus need to understand the importance of Training Needs Assessment and have the ability to implement it successfully (Mamma & Aminu, 2014).

Training methods

The training method is a technique for acquiring knowledge, skill, and ability. Organisations use a combination of different training methods rather than a single training method (Janakiram, 2018). Training is classified into two categories based on the places where training is delivered: on-the-job training and off-the-job training (Janakiram, 2018). The classification of training methods based on training policies, strategies, and expected learning is shown below;



Source: Janakiram (2018)

The lecture-based training method is one of the most popular training methods. In this training method, a trainer (lecturer) presents or talks to a group of trainees. This method is for basic training or knowledge-based training. Lecture-based training is not well-suited for topics that require a lot of trainee interaction, discussion, or participation with each other or with the trainer. Training is incomplete without a lecture. The trainer should begin the training session by stating the aim, goal, agenda, processes, or methods for creating more attention (Khan, 2007). The coaching method entails a superior teaching a junior or subordinates the knowledge and skills of a job, with the superior pointing out mistakes and making suggestions as needed (Khan, 2007).

Benefits of Training to an Employee and the Organisation

The importance of training cannot be overstated, as it plays a crucial role in equipping staff with the necessary skills and knowledge required to excel in their tasks. When employees possess the required competencies, it enhances the overall performance of the organization (Elnaga & Imran, 2013). This indicates that training is beneficial to both the staff as individuals and the organisation as a whole. From an employee's perspective, training address the weaknesses that hinder effective job performance. Hanapi and Nordin (2014) argued that training programs enable employees to reinforce the skills they require to improve their performance and minimize anxiety or frustration that may arise from a lack of knowledge or work demands. Elnaga and Imran (2013) observed that employee training assists in developing the abilities of the staff, sharpening their thinking ability and creativity, and enabling them to make better decisions more productively. In other words, employee training and development enhances self-efficacy, which leads to improved job performance. Trained personnel typically require less assistance to perform their assigned duties, thereby increasing their efficiency (Hanapi & Nordin, 2014).

From the organisational or institutional perspective, training provides numerous benefits. A well-trained employee would make efficient use of resources, which minimizes waste in the organisation. Training improves staff performance, leading to greater efficiency and effectiveness (Agnuis & Kraiger, 2009). Organisations that invest heavily in employee training have higher levels of organisational performance, as evidenced by the quality of the employees, ability to attract and retain high-quality employees and conduct breaking research that leads to new product innovation and development as well as providing solutions to societal problems. Enhanced employee satisfaction is also a major benefit of training for an organisation. Organisations that provide necessary training and development programs can achieve high levels of employee satisfaction and productivity. Agnuis and Kraiger (2009) affirmed that training enhances employee job satisfaction, and the more engaged and involved employees are in working for organisational success, the better the delivery of services.

Theoretical Framework

Talent DNA Model

The talent DNA Model discusses the general talent that is selected in an organisation which helps to identify the organisation and helps the achievement of the organisational objectives (Shravanthi & Sumanth, 2008). Organisations specialize in different areas which they consider their source of strength. Talent DNA states that talent is the bloodstream of an organisation and should be uniform and flow from the topmost employee down to the least employee in an organisation. Therefore, to choose and keep the best talent within a company, organisations need to be able to identify their talents extremely clearly, especially through consistent training and assessment. Shravanthi and Sumanth (2008) stated that sustainable competitive advantage in most cases is realized when an organisation is consistent in its talent identification through training. In the effort to develop the existing talent in an organisation, employee competency is enhanced while at the same time developing the talents (Shravanthi & Sumanth, 2008). This in turn leads to employee productivity improvement while ensuring the employees are effective and efficient. If an organisation has very well-defined talent management practices, it means that they can be able to identify upcoming talents and be able to nurture them through training into more useful assets of the organization (Shravanthi & Sumanth, 2008).

Human Capital Theory

As posited by Evers and Schulze-Böing (2011), the theoretical underpinning for understanding the relationship between training and productivity. According to this theory, investments in education and training contribute to the accumulation of human capital, enhancing individual productivity. In the context of start-ups, this theory implies that strategic investments in training and development programs should lead to a more skilled and productive workforce (Nugrahan 2016; Nita, 2021). Human capital theory is rooted from the field of macroeconomic development theory (Schultz, 1993), this theory originated from the work of Becker in 1964, which he wrote in his classic book; “*Human capital: A Theoretical and Empirical Analysis with special reference to education*”. Becker argues that there are different kinds of capitals that include schooling, a computer training course, expenditures on medical care. And in fact, lectures on the virtues of punctuality and honesty are capital too (Becker, 1993).

In the true sense, they improve health, raise earnings, or add to a person’s appreciation of literature over a lifetime. Consequently, it is fully in keeping with the capital concept as traditionally defined to say that expenditures on education, training, and medical care, etc., are investment in capital. These are not simply costs but investment with valuable returns that can be calculated. Becker (1993) differentiated between general and specific human capital by stating that specific human capital comprises training or education that benefits only one company, while general human capital involves training and qualities that benefits the individual and any company.

Underpinning Theory

The underpinning theory for this study is the talent DNA model. The model categorically postulated that organisations must first identify their top talents and then conduct rigorous training for them to retain them. For this reason, organisations must ensure to incorporate the postulations of this model as part of their strategies in retaining talent and of course prepare a workable training and development budget. The DNA model or theory is often used metaphorically in business and human resource management to represent the fundamental building blocks of organizational success. It suggests that just as DNA determines the characteristics of a living organism, certain core principles, values, and practices shape the culture, behavior, and performance of employees within an organization. When applied to training and employee productivity, the DNA model highlights several key areas of importance.

The DNA model emphasizes that just as DNA is unique to every individual, training programs should be tailored to fit the specific needs of employees. Personalized training ensures that employees acquire relevant skills and competencies that align with their job roles, ultimately improving efficiency and job satisfaction. When training is embedded in the DNA of an organization, employees develop the habits and behaviors that lead to higher efficiency. Proper training reduces errors, enhances work quality, and increases overall productivity.

Empirical Review

Belefkih (2019) studied the impact of training on employee performance and highlighted that organisations should have well-designed and implemented education software that serves as an all-time training tool for the employees where it does not necessarily require the organisation to have schedules for employee training. Still, the software can be utilized by the employees at different times at their convenience. This will equip the employees with the desired skills and competencies that would help their employees work effectively and

efficiently towards the achievement of the organisational goals thus improving employee productivity.

Sothy (2019) investigated how training impacted staff performance at a few private high schools in Phnom Penh, Cambodia. The 220 staff members who made up the study's target group were the principals, coordinators, and teachers from six prominent private secondary schools in Phnom Penh, Cambodia, who served as the case studies. However, 74 people responded. According to the study's findings, training and development are advantageous for employee performance.

Additionally, Odhiambo (2018) investigated how staff productivity at Safaricom Company Limited was impacted by training and development. The study's 1,892 full-time employees of the company's headquarters in Westland, Nairobi County, made up the target group. Target group members were randomly chosen to make up a sample of 377 respondents. This study found that training needs analyses, training methodology, training material, and employee development programs had a big impact on employee performance. Habon (2019) conducted a study on the "impact of training programs to employee performance and productivity" in quick-service restaurants. The purpose of this study was to evaluate the quick-service restaurant industry's training and development initiatives. It used a descriptive methodology and customized a survey that was given to 195 staff members of the fast-food restaurants Jollibee and McDonald's in Batangas City. Using percentage and frequency, weighted mean, and analysis of variance, the data was statistically processed. The majority of responders were male, aged 18 to 29, single, and have been employed at Jollibee for 1-3 years. The fast-service restaurants are rated highly by the respondents for their training and development programmes. After completing a training and development programme, the respondents believed they could fulfill their work tasks to a high degree. They were able to exhibit productivity in the quick service restaurant to a considerable level. No discernible difference was seen, which suggests that replies were consistent across respondent's profiles. A strategy for improving quick-service restaurant training and development was put out

Christian, Toyin, Ayorinde, and Awoniyi (2021) conducted a study on Training on employee productivity of selected beverage companies in Southwest, Nigeria. Inefficiency and low production are caused by a lack of knowledge, skills, and talents, often as a result of a lack of organisations to offer up-skilling. Employee attitudes, capacities, and skills for present and future occupations are influenced by training. The study looked at how employee productivity in a few beverage firms in Southwest Nigeria related to training and development. The survey included 306 respondents who work for the 7up Bottling Company in Lagos and the International Breweries Company in Ilesa, both in the state of Osun. It used a descriptive study approach on a target population of 1,267 beverage industry employees, with a sample size of 317 determined using the Taro Yamane formula. Data were gathered at random using a questionnaire that was carefully designed. The questionnaire was only implemented and utilized for data analysis on 306 copies. Simple linear regression was used to analyze the variable. The results demonstrate that employee productivity is positively and significantly impacted by training and development at P 0.05. The study concluded that training and development increase employee and organisational productivity. It was advised that beverage firms view training as an integral component of organisational strategy and make sure it is properly thought out. The use of on-the-job and off-the-job training methods should be encouraged by beverage firms.

Methodology

Research Design

Survey design was used in this study. It helped to answer questions such as what, when, where, and how regarding the research problem, rather than why.

Study Area

The study was conducted in Freee Recycle Limited, Ibadan, Oyo State, Nigeria. Freee Recycle Limited is a recycling and manufacturing company that recycles scrap tyres to produce ecofriendly products such as rubber tiles, pavers and other rubber accessories. The essence of choosing the organization was because the concept of recycling is an emerging activity which requires a trained expert to handle some of the machine used.

Population of the Study

The study population consisted the entire staff of Free Recycle Limited. Preliminary investigation revealed the entire population stood at two hundred and fifty-five (255). Source: Human Resource Department/Freee Week Brochure (2022).

Sample and Sampling Techniques

Simple random technique was used to give the respondents equal chance of selection while 20% of the entire population representing 51 respondents was used. On the average, four respondents were randomly selected from each of the following departments, i.e., Production department, Sales department, Process and Quality department, Finance department, Internal control unit, HSE unit, Human resource department, Admin department, Maintenance department, CSR unit, Purchasing, and Security department. The idea was to have equal representation of all the units studied.

Data Collection

Primary data were used in the study. Specifically, the study utilized a structured questionnaire to collect information from the respondents. The questionnaire was divided into three parts. The section A aspect included information related to the respondents, such as sex, age, and educational qualification. Section B contained information on training. While section C contained information regarding employee productivity with the dimensions (quality of work, items such as 'skills possessed helps you to improve on the job, I always strive to beat time given for any tasks assigned, I always strive via my input to help my company achieve its set goals, my overall activity is in the best interest of the company etc. number of tasks completed such as 'Target on the job stimulate me to do best, I manage to cope with difficult situations and setbacks at work well, The consistency of my work over the last three months has been really good, I come up with innovative approaches to new problems at work, I scheduled my job in such a way that it is finished on time etc., and accuracy and speed such as 'The quality of assigned job is satisfactory when compared to time given, I always complete any tasks given/assign to you as at when due, Margin error is highly minimized as a result of my smartness at work etc.).

Model Specification

$$Y = \alpha + bx + \mu$$

Y (Dependent Variable) = Employee Productivity

α = constant bx = (Independent Variable) = Training

μ = Statistical Error Term

Hence;

$$Y = f(X)$$

$$X = (x_i, x_{ii}, x_{iii})$$

Where:

x_i = Quality of work

x_{ii} = Number of Tasks Completed

x_{iii} = Accuracy and Speed

Therefore,

$$y_i = x_i \text{-----(i)}$$

$$y_i = x_{ii} \text{-----(ii)}$$

$$y_i = x_{iii} \text{-----(iii)}$$

Data Analysis Method

Data collected were classified into specific observable trend and relationship were identified. For the socio demographics of the respondents, descriptive statistics was used while hypotheses one, two, and three were analyzed using inferential statistics with the aid of Statistical Package for Social Science Version 23.0.

Results and Discussion

TABLE 1: Socio Demographic Information of Respondents

Category	Subcategory	N	%
Gender	Female	19	37.20%
	Male	31	60.70%
		51	100%
Marital Status	Single	13	25.50%
	Married	31	60.80%
	Divorced	2	3.90%
	Widow	5	9.80%
		51	100%
Highest Educational Qualification	O'Level	4	7.80%
	OND/NCE	25	49.00%
	HND/B.Sc.	16	31.40%
	MBA/M.Sc./PhD	6	11.80%
	Others	0	0.00%
		51	100%
Work Experience	1-5 years	12	23.50%
	6-10 years	12	23.50%
	11-15 years	19	37.30%
	16-20 years	8	15.70%
	21-25 years	0	0.00%
	26-30 years	0	0.00%
	31-35 years	0	0.00%
		51	100%

Source: Author's Survey (2025)

Table 1 depicts the gender distribution of the respondents. Male 31 accounts for (60.7%) while female of 19 represent (37.2%). This means that majority of the respondents were male.

Marital status reveals that the majority of respondents were married, with 31 (60.8%) indicating they were in stable, long-term relationships. Single individuals made up 13 (25.5%) of the sample, while 5 (9.8%) were widowed. The number of divorced respondents was quite low, with only 2 (3.9%), suggesting a predominantly married sample with low levels of marital separation. Regarding educational qualifications, most respondents had some level of postsecondary education. The largest group, 25 (49.0%), holds an OND/NCE, while 16 (31.4%) have an HND/B.Sc. Only 4 (7.8%) had O'Level qualification, and 6 (11.8%) hold advanced degrees such as an MBA, M.Sc., or PhD. This indicates a fairly well-educated group, with nearly 90% having education beyond secondary school.

In terms of work experience, the largest group of respondents, 19 (37.3%), had between 11-15 years of experience, suggesting that many were well established in their careers. Equal proportions of respondents, 12 (23.5%) each, had either 1-5 years or 6-10 years of experience, indicating a balanced mix of early- to mid-career professionals. A smaller group, 8 (15.7%), had 16-20 years of experience, representing more senior, experienced professionals.

Overall, the respondents were predominantly female, middle-aged, married, and well educated, with most having significant work experience and identifying as Christians. This demographic profile suggests a group of individuals who were relatively stable in their careers and personal lives, with a strong educational background and moderate to extensive work experience.

Hypothesis Testing

H01: There is no relationship between training and quality of work in Freee Recycle Limited.

Correlation Analysis Showing Relationship between Training and Quality of Work			
		Training	Quality of Work
Training	Pearson Correlation	1	.421*
	Sig. (2-tailed)		.002
	N	51	51
Quality of Work	Pearson Correlation	.421*	1
	Sig. (2-tailed)	.002	
	N	51	51

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

Source: Author’s Survey (2025)

The Pearson correlation coefficient of 0.421 indicated a moderate positive relationship between training and quality of work. The p-value of 0.002 is statistically significant ($p < 0.05$), allowing the researcher to reject the null hypothesis. This suggests that there was a significant relationship between training and quality of work in Freee Recycle Limited [$r(49) = .421^*$, $P < .05$].

H02: There is no significant relationship between training and number of tasks completed

Correlation Analysis Showing Relationship between Training and Number of Tasks Completed			
		Training	Number of tasks completed
Training	Pearson Correlation	1	.601*
	Sig. (2-tailed)		.000
	N	51	51
Number of tasks completed	Pearson Correlation	.601*	1
	Sig. (2-tailed)	.000	
	N	51	51

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

Author’s Survey (2025)

The Pearson correlation coefficient of 0.601 indicates a strong positive relationship between training and number of tasks completed. The p-value of 0.000 is highly significant ($p < 0.01$), allowing the researcher to reject the null hypothesis. This finding implies that there is a significant relationship between training and number of tasks completed.

H₀₃: There is no significant relationship between training and accuracy and speed

Correlation Analysis Showing Relationship between Training and Accuracy and Speed

		Training	Accuracy & speed
Training	Pearson Correlation	1	.280*
	Sig. (2-tailed)		.048
	N	51	51
Accuracy and speed	Pearson Correlation	.280*	1
	Sig. (2-tailed)	.048	
	N	51	51

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

Source: Author’s Survey (2025)

The Pearson correlation coefficient of 0.280 indicates a weak positive relationship between training and accuracy and speed. The p-value of 0.048 is statistically significant ($p < 0.05$), allowing the researcher to reject the null hypothesis. This suggests that there is a significant relationship between training and accuracy and speed.

Discussion

The first hypothesis stated that there is no significant relationship between training and quality of work. However, the results indicate a moderate positive relationship between training and quality of work ($r = 0.421$, $p = 0.002$), rejecting the null hypothesis and supporting the idea that training positively influences quality of work. This finding is in support of Habon (2019) who found a positive correlation between training and employee performance and productivity. The second hypothesis posited that there is no significant relationship between training and number of tasks completed. The study’s results strongly contradict this hypothesis, showing a significant and strong positive correlation ($r = 0.601$, $p = 0.000$) between training and number of tasks completed. The third hypothesis stated that there is no significant relationship between training and accuracy and speed. The results of this study indicate a weak but significant positive relationship ($r = 0.280$, $p = 0.048$) between training and accuracy and speed, leading to the rejection of the null hypothesis. This finding is in support of Heemskerk and Roebers (2024) who stated that absence of difference between the training conditions on several of outcomes may be related to employee’s error in capturing important moment during training hours, thus, affecting employee’s accuracy and speed in the discharge of their duties effectively.

Conclusion and Recommendations

Training serves as an important tool that no organization is advised to neglect whatsoever. It is also assumed that if organization apportion training on employee, such employee will perform and project the organization positively with respect to market share and high profitability. There is an assertion that goes thus ‘if you do not train them, do not blame them’. This assertion

underscores the critical role training plays in shaping an employee and that of organization as a whole. Training is also an important activity that increases the performance of employee in an organization and is also a building block which enhances the growth and success of an organization. As revealed from the hypotheses tested, it is clearly showed that there was a positive and significant relationship between training and employee productivity in Freee Recycle Limited. This finding showed that the organization has been putting the interest of employees at heart by their approach to training programs.

In order to improve the employee training and improved performance and service delivery, management of Freee Recycle Limited should increase the number of employees taking part in training. This can be done by providing incentives that may motivate employees to take part in training programs. In view of the findings, it is recommended that Freee Recycle Limited should continue with its training program as this will bring about competence on the part of the entire staff.

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