

# HUMANITIES, MANAGEMENT, ARTS, EDUCATION & THE SOCIAL SCIENCES JOURNAL

A Multidisciplinary Journal Publication *of the*  
International Centre for Information Technology & Development (ICITD)  
Systems & Multidisciplinary Research Group/ICITDs Society for Multidisciplinary & Advanced Research Techniques  
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## Innovation Complexities and Market Performance: Evidence from Nigerian Food and Beverage Sector

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### ABSTRACT

The dynamic nature of business environment and the ever changing needs of consumers have to constantly make strategic organizations to continue to adopt innovative practices to continue to survive. Firms adopt innovation strategy to survive and gain competitive advantages in the marketplace. Innovation strategy entails adoption and implementation of a new or significantly improved product, or process, a new marketing method, or a new organizational method in business practices. The thrust of this study was to examine the relationship between innovation complexities and market performance. The study adopted primary data were with the aid of a structured questionnaire that was administered to respondents. A Structural Equation Model was used to test the hypothesis and findings of the study revealed that innovative practices adoption and implementation is provides opportunities to organization in terms of been proactive to changes and also initiating positive changes that aids competitive advantage and sustainable performance. The study recommends that since innovative practices is germane and integral for improved sustainable performance, it must be continuously maintained, sustained and improved.

**Keywords: Innovation, Product, Process, Market, Organization, Market Performance**

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## 1. INTRODUCTION

Growth and survival in the market place are one of the numerous objectives of all organizations regardless of their size and nature especially with the dynamism in the 21<sup>st</sup> century business environment. One of the strategies that companies have evolved is entrepreneurial orientation (Wiklund and Shepherd, 2005). Entrepreneurial Orientation entails the ability and capability of firms to create, take risks to try out new products, services and markets, and act more proactively than competitors (Covin and Slevin, 1991). The changes that have come with the dynamism in the 21<sup>st</sup> century business environment such as shifts in population demographics, technological changes, fluctuating economies have transformed societies as never before, bringing new challenges and opportunities to the forefront. Entrepreneurial orientation is one of the strategies adopted by governments, organizations and the public with an extant reality to adapt, innovate, or die in the face of intense global competition and economic instability.

Nadler and Tushman (1997) posit that the strategies that many organizations have used in the past no longer seem adequate for effectiveness and success in the 21st-century organizational environment. Today, work processes are changing at a much faster pace as organizations face the challenges of rapidly changing technology, globalization, uncertainty, unpredictability, and turbulence. Similarly, in the wake of over a decade of an inimical fluid economic environment and increased global competition; recovery depends on optimum contributions from everyone in the organization and an effective (adaptable and flexible) corporate culture. Attaining organizational viability and survival has become a topic dominating the strategic agenda of many organizations. Attention of the practitioner has therefore shifted to harnessing employee creative energies into useful and valuable services and products. In addition among the researcher fraternity, organizational culture has assumed greater importance in relation to organizational adaptation (Achrol, 1991) and its role in facilitating or hindering creativity and innovation.

Kitchell (1995) notes that companies have come to appreciate that research and Development (R&D) alone will not secure innovation, that expressed creativity is more a cultural concern than a capital or technical issue. Amabile (1996) opined that psychological research highlights that true creativity comes not from the areas in which one is generally active but from the ability to conceive something that is both new and appropriate. Thus, an entrepreneurial mindset is a philosophy by which individuals engage in creative acts (Sarasvathy, Simon and Lave, 1998). An entrepreneurial mindset is similar to 'entrepreneurial cognitions' in that they both signify a philosophy of personal identity and values and a group of heuristics or decision-making tools that entrepreneurs use to evaluate and exploit business opportunities (Shane, & Venkataraman, 2000).

Creativity and innovation has been posited as crucial to competitive advantage, bottom-line performance and entrepreneurship (Baldacchino, 2009). Creativity and innovation has been posited as crucial to competitive advantage, bottom-line performance and entrepreneurship (Kotter & Heskett 1992). Indeed organizations may have to leverage innovation and creativity for a different agenda that goes beyond just competitiveness, enhanced customer product or service experience to securing adaptation. Mott (1972) posits that an effective organization should be in the first instance productive then flexible and adaptive. In the current dynamic environment, a lot of pressure is being put on organizations not just to be productive but be adaptive. However, much research and practitioner racket has been on leveraging effectiveness through 'productivity'. Creativity has always been at the heart of human endeavor. Allied to innovation, which creates unexpected value, it is now recognized as central to organizational performance. The ability, capability and desire of organizations to achieve the desired innovation demonstrated in terms of behaviors, strategies, activities and processes is what innovative practices emphasizes on.

### 1.1 Statements of the Problem

There has been an increasing call for organizations to be creative in developing new products that will survive in the highly competitive environment (Ford and Gioia, 2000). Organizations are in no doubt enthusiastic about creating new products, but the benefits of such products to the larger society is an intriguing question that must be answered. Successful product innovation is vital to many organizations. The sustainable success of the product innovation depends on how well the products meet and surpasses the expectations of consumers (Rothwell and Dodgson, 2007). Although, an innovative product tends to face low competition at the point of introduction, the high profits earned attract imitators. The impact of entrepreneurial orientation through creativity and innovation is a widely studied topic in the discourse on entrepreneurship, even though there seems to be lack of consensus among scholars with respect to the nature of relationship (Rauch, Wiklund, Lumpkin and Frese, 2009). The lack of consistency in the outcome of the previous studies especially given the fact that creative and innovative practices requires resources (Covin and Slevin, 1991; Hughes and Morgan, 2007). Several questions have been left unanswered. Can creativity and innovation be managed?. Several perspectives have been given to provide answer to the question. The consensus among scholars however is that there can be no innovation without a corporate strategy to reach defined corporate goals (Heskett, 2007).

The core competency of the 21st century that organizations need in order not to only compete and grow but to survive in a global economy is innovation. Drucker (2001) buttressed this further with his emphasis creations of customers as the only purpose of business. Business enterprises have two basic functions, marketing and innovation. The commercial success of the any type of innovation depends on how well the it meets customers' needs (Rothwell and Dodgson, 2007). Despite the critical role of customers in the life of organizations, customers are still dissatisfied with some products in the market place because of its inability to meet their expectations. The need for organization to pay maximum attention to market innovation becomes imperative (Appiah-Adu and Satyendra, 1998). Thus, continual market innovation must be done by a firm since market innovation plays a crucial role in fulfilling market needs and responding to market opportunities (John, 1999).

## 2. LITERATURE REVIEW

### 2.1 Innovation

Innovation is a strategic tool that organizations adopt in order to grow, survive and gain competitive advantages. Organizations that enshrine innovative practices and foster innovative culture would achieve sustainable business performance. Innovation is a tool that provides a platform for organizations to attain a competitive advantage position within the industry they operate (Zawislak, Alves, Tello-Gamarra, Barbieux, Reichert, 2012). According to Oslo Manual (OECD, 2005), innovation entails the process of implementing a new or significantly improved product, process, new marketing technique, or organizational method. Joseph Schumpeter popularized concept of innovation in economic development and entrepreneurship. Innovation entails elements of creativity, research and development (R&D), new processes, new products or services and advance in technologies (Lumpkin and Dess, 2001).

Kuratko and Hodgetts (2004) defined innovation as the creation of new wealth or the alteration and enhancement of existing resources to create new wealth. Thornhill (2006) perceives innovation as a process of idea creation, a development of an invention and ultimately the introduction of a new product, process or service to the market. Beaver (2002) opined that innovation is very germane for economic growth and development of any country since it plays an important role not only for large firms, but also for SMEs (Jong and Vermeulen, 2006; Anderson, Wahab, Amin, & Chong, 2009).



Sandvik and Sandvik (2003) aver that innovation is a competitive weapon which forms a firm's core value capability. Lumpkin and Dess (1996) stated that innovation is very critical for enhanced firm's productivity. Bakar and Ahmad (2010) add that the capability in business innovation is crucial for a firm to exploit new opportunities and to gain competitive advantage the various types of innovation. Product innovation, process innovation, marketing innovation and organizational innovation are the various types of innovation based on Oslo Manual (OECD, 2005) classification;

**(a) Product Innovation**

This type of innovation entails the development and bringing new or substantially better products or services to market (Hauser, Tellis and Griffin 2005). Fundamentally, it can be categorized into three (Booz, Allen and Hamilton, 1982; Olson, Walker and Ruekert, 1995).

- (1) product line extensions (familiar to the organization but new to the market),
- (2) Me-too products (familiar to the market but new to the organization), and
- (3) New-to-the-world products (new to both the organization and the market)

**(b.) Organizational Innovation**

This type of innovation emphasizes on improving workplace procedures, practices and techniques. Thus, it entails how an organization can adopt an idea or behavior that is new to the organization (Damanpour, 1991; Zammuto and O'Connor 1992). It encompasses the fostering of a culture that facilitates how new ways that work can be organized and accomplished within an organization to or a new administrative practice (Hage, 1999). Organizational innovation encapsulates all other types of innovation since the organization innovation culture that gives rise to others product innovation, process innovation, and the newly defined marketing innovation (Polder et al., 2010).

**(c)Process Innovation**

This type of innovation significantly emphasizes on how improve the methods of production or delivery, to include significant changes in techniques, equipment, and/or software (OECD, 2005). The improvement may concern changes in equipment, production organization or a combination of these changes and may be derived from the use of new knowledge. One of the principal merits of this type of innovation is that it seeks to lower the cost of production by a constant percentage (Adner & Levinthal, 2001). Thus, successful process innovations lead to reductions in both the cost and price of the product and also induce extra productivity growth at any point of the process (Huergo & Jaumandreu, 2004).

**(d) Marketing Innovation**

This type of innovation emphasizes on development of new marketing techniques (Robinson and Pearce 1988). Thus, marketing innovation entails the capacity to re-conceive the existing industry model in ways that create new value for customers, undermine competitors, and produce new wealth for all stakeholders (Hanvanach, Droge and Calatone 2003). Organizations must be constantly abreast of changing consumers' behaviors with respect to their needs, wants and preferences. Thus, it becomes imperative to generate and implement new ideas that will create, communicate, and deliver value to customers while also building customer relationships. The marketing mix variables of product, place, product promotion and pricing must be significantly improved (OECD Oslo Manual, 2005).



## 2.2. Theoretical Review - Theory of Dynamic Capability

Dynamic capability is one of the fundamental theories that focus how organizations can improve and sustain their competitive advantage especially in an environment that is changing rapidly. Thus, it emphasizes on the ability and capability of an organization to strategically adapt an organization's resource base. The concept was defined by David Teece, Gary Pisano and Amy Shuen, in their 1997 paper *Dynamic Capabilities and Strategic Management*, as "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments. The emergence of this theory was borne out of the need for organizations to respond to competitive conditions that emerged at the end of the twentieth century (Eisenhardt & Martin, 2000; Teece, Pisano & Shuen, 1997). The notion is that organizations that are proactive enough to identify and exploit new opportunities and re-jig their resources mix based on opportunities identifies would not only create competitive advantage but will also attain all time sustainable performance (Teece, 2012).

The theory of dynamic capability explains why firms succeed or fail in market competition. Teece (2007) wrote: "The ambition of the dynamic capabilities framework is nothing less than to explain the sources of enterprise-level competitive advantage over time, and provide guidance to managers for avoiding the zero profit condition that results when homogeneous firms compete in perfectly competitive markets".

## 2.3 Empirical Review on Innovation and Organisation Performance

Gunday, Ulusoy, Kilica, Alpkan (2015) carried out a research that sought to examine the effects of innovation types on firm performance. The objective of their research was to explore the effects of the organizational, process, product, and marketing on the different aspects of firm performance. 184 manufacturing firms in Turkey were selected for the study. A theoretical framework was empirically tested identifying the relationships between innovations and firm performance through an integrated innovation-performance analysis. Findings from the results revealed that there exist reveal the positive relationship between innovations and performance in manufacturing industries.

Kamakia (2014) investigated the effect of product innovation on performance of commercial banks in Kenya. A cross-sectional survey design approach was adopted. (43) forty-three commercial banks licensed by the Central Bank of Kenya as at 31st July 2014 constituted the study population with the general managers of each bank as respondents. Primary data with the aid of a self-administered and semi-structured questionnaire was used to elicit information and finding from the results indicated that communication of product innovation to staff was to a great extent with majority agreeing that product innovation affected organization performance. It was found out that to command a higher market share; a commercial bank needed innovative ideas.

Sanders, Jones and Linderman (2013) in their research on process management, innovation and efficiency performance the moderating effect of competitive intensity employed the use of primary data and a structured questionnaire to survey data from manufacturing plant. Regression analysis was used to test hypotheses and findings indicates that the influence of process design on efficiency and innovation performance is not dependent on competitive intensity; however, the impact of process improvement and process control on efficiency and innovation performance is in some instances moderated by competitive intensity.

Ngugi, Mcorege And Muiru (2013) carried out a research that sought to investigate the influence of innovativeness on the growth of SMEs In Kenya. A descriptive survey and exploratory design was adopted. 4560 SMEs in Nairobi County who are registered by Ministry of Industrialization and Ministry of Trade

were targeted. Primary data via a structured questionnaire was used to elicit information and the hypothesis were tested using regression analysis. The findings indicated that innovativeness influences the growth of SMEs in Kenya.

Epetimehin (2008) investigated the Impact of organizational creativity and innovation on entrepreneurial success. The dependent variable is taken as entrepreneurial success which was further broken into sub-variables to include sales increase and profit increase. The independent variable was product creativity which was operationalized in terms of time, that is, new product initiation period, market period, and maturity period. The hypotheses were tested using the Pearson Product Moment Correlation Co-efficient, findings revealed that there is an existence of significant relationship between sales increase and product creativity and that the relationship is a positive one. The same also applies for the relationship between profit increase and product creativity.

Rangarirai, Linet, Thondhlana and Kakava (2013) conducted a study on Innovation in SMEs: A review of its role to organisational performance and SMEs operations sustainability. The study adopted a descriptive survey. 30 SMEs across all sectors were selected. Primary data with the aid of a structured questionnaires and interviews were used to elicit information. The hypothesis and findings revealed that innovation is one of the major attributes which aid SMEs to remain competitive. Findings also points to a strong link between innovation and SMEs operations sustainability.

Olugho (2015) carried out a research which investigated the impact of innovation on business performance in small and medium-sized enterprises (SMEs) in an up-and-coming market, like Nigeria. The study employed the use of primary data via a structured questionnaire that was administered to 200 respondents from SMEs companies based in Nigeria. Innovation was measured using the OECD Oslo scale (2005). The finding from the study revealed that innovation significantly influence business performance.

### **3. METHODOLOGY**

The study population consists of the staff of selected firms in the Nigerian Food and Beverage Sector and Conglomerate namely Cadbury Nigerian Plc, FlourMills Nigerian Plc, Nestle Nigerian Plc, UACN Nigerian Plc, and Unilever Nigerian Plc). Primary data was used with the aid of a structured questionnaire. Since it was impossible to survey the entire population, a sample was drawn from. A sample size of three hundred and fifty five (355) respondents constitutes the sample size for questionnaires that were administered to the staff respondents out of which only three hundred and nine (309) were found to be useful. In order to determine the degree and nature of relationship that exists between organizational innovation and organization performance, a structural equation model was adopted

#### **3.1 Test of Hypothesis**

Ho: - Innovation mix does not have significant impact on market performance of selected firms in Nigerian Food and Beverage Sector

H1a: Product innovation does not have significant impact on market performance of selected firms in Nigerian Food and Beverage Sector

H1b: Process innovation does not have significant impact on market performance of selected firms in Nigerian Food and Beverage Sector

H1c: Market innovation does not have significant impact on market performance of selected firms in Nigerian Food and Beverage Sector

H1d: Organisational innovation does not have significant impact on market performance of selected firms in Nigerian Food and Beverage Sector

#### 4. RESULTS AND DISCUSSION

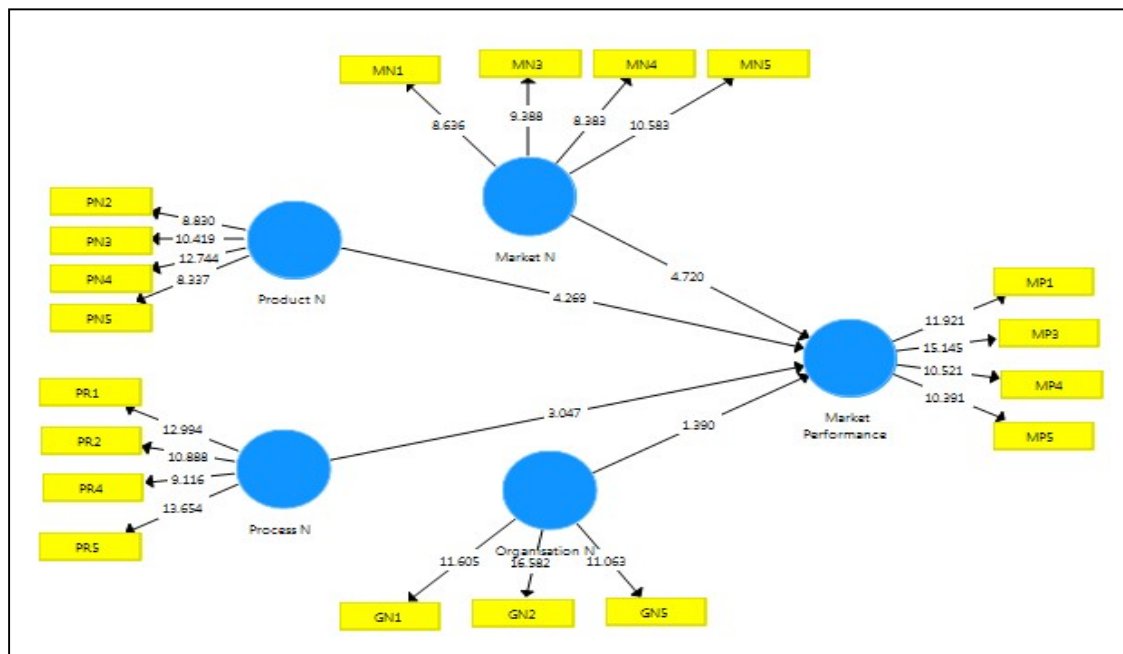


Figure 1: Results of Bootstrapping on Structural Model (Market Performance)

Table 1: Results of Hypotheses Testing

Hyp.	Relationship	Beta	S.Error	T - value	P -value
H <sub>1a</sub>	Market N -> Market Performance	0.317	0.067	4.720	0.000
H <sub>1b</sub>	Organization N -> Market Performance	0.080	0.059	1.390	0.165
H <sub>1c</sub>	Process N -> Market Performance	0.178	0.059	3.047	0.002
H <sub>1d</sub>	Product N -> Market Performance	0.310	0.073	4.269	0.000

Hypothesis 1a predicted that market innovation is related to market performance based on performance. Result (Table 1, Figure 1) revealed a significant positive relationship between market innovation and market performance based on performance ( $\beta = 0.317$ ,  $t = 4.470$ ,  $p = 0.000$ ), supporting Hypothesis 1a.

Hypothesis 1b predicted that organization innovation is not related to market performance based on performance. Result (Table 1, Figure 1) revealed a negative relationship between organizational innovation and market performance ( $\beta = 0.080$ ,  $t = 1.390$ ,  $p = 0.165$ ), therefore, the Hypothesis 1b is not supported.

Also, in examining the influence of process innovation on market performance, result indicated that process innovation had a significant relationship with market performance ( $\beta = 0.178$ ,  $t = 3.047$ ,  $p = 0.002$ ), support Hypothesis 1c.

Hypothesis 1d predicted that product innovation is related to market performance. Result (Table 1, Figure 1) revealed a significant positive relationship between product innovation and market performance ( $\beta = 0.310$ ,  $t = 4.269$ ,  $p = 0.000$ ), thus, hypothesis 1d is supported.

The result of this study is consistently in line with the previous findings of Kamakia (2014), Olugbo (2015) and Gunday, Ulusoy, Kilica and Alkplan (2015) who discovered that there is positive relationship between innovation and performance.

## 5. CONCLUSION AND RECOMMENDATIONS

All organizations are established primarily to accomplish certain objectives as encapsulated in their vision and mission statements. One of the strategies that is used to achieve this objective is to foster a culture that promotes innovative practices whose major objective is to improve business performance. The dynamic nature of the business environment has increased the importance of adopting innovation. Innovation is a strategy that facilitates proactive nature of organizations thereby increase competitive advantage especially when it is based on the understanding of customers' needs. Organisations should put additional emphasis on innovations as they are important instruments for achieving sustainable competitive power. Furthermore, in order to sustain a competitive edge in today's market, organizations have a twofold mission of continuously generating extra value for their customers whilst thriving to cut costs and increase their productivity. To make this mission possible, the results of this study suggest that organizations give additional importance to different types of innovations for attaining superior organizational performance.

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## Agricultural Credit and Economic Growth in Nigeria

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### ABSTRACT

The Agricultural sector is highly indispensable to growth of any nation. It has been the source of feeding of the populace, raw material for industries and income generation for other developmental activities. Various governments have been made efforts to improve economic growth and agricultural productivity through agricultural credit but rarely one can see any improvement in the sector. It is in line with these fundamental role that this study makes a giant stride to examine the impact of agricultural credit on Nigeria's economic growth. The study employs time series data from publications of Central Bank of Nigeria, Statistical Bulletin, National Bureau of Statistics and internet publication of policy issues on agriculture in Nigeria which spanned from 1985-2016. This study employs the three stage least square analysis as the estimation technique to investigate the variables. The findings shows that agricultural credit is an effective instrument for counter-cyclical agricultural output, non-oil export and GDP stabilization in the Nigerian economy although the value of GDP fell at the end of the period indicating that, such policies deteriorate with time. The study concludes that agricultural credit, interest rate exchange rates were all important in affecting aggregate output in Nigeria. The study recommends that agricultural credits should be extended for development of agricultural production because it has causality effect on economic growth.

**Keywords:** Agricultural Credit And Economic Growth

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### 1. INTRODUCTION

Agriculture is an important sector that played a crucial role in the growth process of Nigeria's economy at present as price of crude oil fall at international market. In the time past, crude oil and gas exports accounted for more than 98 % of export earnings and about 83 % of federal government revenue (Odularo, 2008). Contrast to agricultural exploration in Nigeria, the National Bureau of Statistics (NBS) stated that oil production was at 2.1 million barrel per day at the first quarter of 2016 while the oil sector contributed 10.29% of total real GDP.



This has made oil to be area of focus for a long time. Recently, the Nigerian government has continue to renew their commitments to diversify into agricultural sector as the price of oil in the international market continue to drop and countries in OECD has made a declaration to invest in green energy. In Nigeria, agriculture involves crop production, livestock, forestry and fishing. It remains the highest contributor to the GDP with an average of 40.1 percent over the entire period. Agricultural sector was followed closely by the services sector with a combined contribution of 38.1per cent, out of which the private services sub-sector accounted for about 29.0 percent. Over the years, agriculture provides employment opportunities, provision of goods and services, contribution to government revenue and energy supply.

Credit facilities to agriculture are the provision of working capital loans for farm businesses. The scheme aims at fast tracking development of the agricultural sector of the Nigerian economy by providing credit facilities to commercial agricultural enterprises at a single digit interest rate; Enhance national food security by increasing food supply and effecting lower agricultural produce and product prices, thereby promoting low food inflation; Reduce the cost of credit in agricultural production to enable farmers exploit the potentials of the sector and Increase output, generate employment, diversify the revenue base, increase foreign exchange earnings and provide input for the industrial sector on a sustainable basis. The fewer available schemes in Nigeria are: Agricultural Development Trust Fund Credit (ADTFC) and Guaranteed Fund Credits.

Over time, arguments have ensue in the literature that agricultural sector is under funding and credits are not given to the farmers which is creating growth drag to economic development. For instance, Adediran and Obasan (2010) have argued that in developing countries (of which Nigeria is inclusive), productivity growth tends to be higher in agriculture than manufacturing, but in terms of output growth manufacturing continues to outperform agriculture. The manufacturing sector offers more opportunities for capital accumulation than the agricultural sector since it is more spatially concentrated than the agricultural sector which is spatially dispersed. Nevertheless, many years of neglect and maladministration on the part of successive military and civilian governments, coupled with corruption and indiscriminate policy reversals, have rendered agriculture sectors a comatose.

In addition, factors such as education (Pudasaini, 1983), infrastructure (Queiroz & Gautam, 1992; Gopinath & Roe, 1997; Yee et al., 2002), and inflation (Bullard & Keating, 1995; Andrés & Hernando, 1997; Gokal & Hanif, 2004) have also led to the poor performance of the sector. Other factors include lack of modern inputs and credit facilities (Iganiga & Unemhilin, 2011; Awe, 2013; Zakaree, 2014), land and environmental degradation, inadequate research and extension services (Olajide et al., 2012). Among these factors, the lack of insufficient fund and credit facilities seems to be the core issue facing agriculture as other matters are directly and indirectly linked to it. For instance, most farmers in the rural areas are faced with the challenges of accessing formal credit that has resulted in the dominance of informal credit associations such as credit and drift cooperatives, and money lenders.

Farmers in the rural areas find it difficult in accessing formal credit because the financial institutions, which suppose to provide formal financial credits, are controlled from headquarters located in the cities, hence, cannot adequately cater for the need of subsistence farmers (Obeta, 1992). Furthermore, the complicated procedures involved in securing loans coupled with the high-interest rates charges, have restricted the access of farmers to fund in the sector. Consequence upon these, it has become pertinent to evolve means of stimulating the availability of credit in the sector. More so, agriculture sector, however, is still spring from a number of inherent and apparent problems.

Water logging/salinity coupled with scarcity of irrigation water rank at the top of physical problem while weak marketing mechanism and ineffective cooperative structure are prominent inherent problems. Keeping in view the population growth rate of 2 percent per annum, the need is to provide them a balance diet and limitation on expansion of cropped area, the national commission on agriculture has recognized for considerable expansion in the pace of agricultural production. Recent revaluating in agriculture has made it capital intensive but majority of our small farmers are not in position to practice agriculture on modern lines due to lack of capital.

The agriculture growth depends very much on improvement of infrastructural facilities, supply of enhanced irrigation water, land reclamation, transpiration, mechanical power and other critical form inputs like seeds, pesticides and fertilizers etc. Agricultural credit assumes even a central position in the whole strategy of agricultural development of a country like Nigeria for a number of reasons. Farming requires capital like other business for its farm operations. Timely availability of capital leads to adoption of improved seeds, fertilizers and modern technologies which increase the farm production and ultimately the growth rate. Therefore, agriculture credit is an essential element for modernization in agriculture. Therefore, the following research question is pertinent to this study. What is the impact of agricultural credit to economic development in Nigeria? How has agric credit affected agricultural development? This study aims at examine the determinants of agricultural credit on economic development.

### **1.1. Brief Background of Agricultural Development in Nigeria**

In the 1960s, Nigerian economy was majorly driven by the agricultural sector accounting for about 70 percent of the country's Gross Domestic Products (GDP) and 65-70 percent of the nation's exports (Olajide, Akinlabi, & Tijani, 2012). The sector has also contributed about 65 percent of employment to the teeming population and accounted for over 90 percent of the total food consumption requirement, thus, contributing significantly to the nation's food security (Emeka, 2007; Izuchukwu, 2011). Consequently, the agricultural sector was estimated to be the largest contributor to Nigeria's non-oil foreign earnings (Iganiga & Unenhilin, 2011). The sector was also seen as the key to the development of the economy through product contribution, market contribution, factor contribution, and foreign exchange contribution (Abayomi, 1997). In recent time, the performance of the agricultural sector and its share of contributions to the nation's GDP have drastically reduced following the oil booms of the late 1970s that led to the neglect of agriculture (Olajide et al., 2012).

### **1.2. Trend Analysis of Agricultural Credit in Nigeria**

In an attempt to ensure the availability of agricultural credit as a mean of providing the needed capital in the sector, the Federal government introduced agricultural credit institutions as well as policies and programmes. Some of these agricultural credit schemes include Nigerian Agricultural and Cooperative Bank (NACB), Agricultural Credit Guarantee Scheme Fund (ACGSF), Commercial Agricultural Credit Scheme (CACs), and Nigerian Incentive-based Risk Sharing for Agricultural Lending (NIRSAL). NACB was established in 1973 to provide medium and long-term credit to expand agricultural production. The bank was set up to tackle the challenges of low savings, inadequate investment, and lack of entrepreneurial skills in the sector. However, the inability of the NACB in actualizing the purpose of its establishment led to the creation of the Nigerian Agricultural, Cooperative and Rural Development Bank (NACRDB) in 2000 following the merger of NACB, the People Bank of Nigeria (PBN), and the Family Economic Advancement Programme (FEAP).

The Agricultural Credit Guarantee Scheme Fund (ACGSF) was set up by the Federal Military Government in 1977 with the initial fund of N100 million to provide guarantee in respect of loans granted by banks for agricultural purposes that are connected with the establishment or management of plantation for the production of producing rubber, cocoa, oil palm tea, coffee and similar crops. The scheme, which is managed by the Central Bank of Nigeria (CBN) and a constituted Board, aims at increasing the volume of bank credit to the agricultural sector. The CACS was established in 2009 by the CBN in collaboration with the Federal Ministry of Agriculture and Water Resources to contribute to the development of agricultural sector via the expansion of lending by commercial banks to the sector. The purpose of the scheme is to induce the commercial banks to increase their lending for the development of commercial agriculture. In a bid to achieve this, the Federal Government raised a seven-year bond of N200 billion as intervention fund through the Debt Management Office and made the fund available to the sector through some approved commercial banks (Olomola & Yaro, 2015).

The aim of the fund was to make credit facilities available for commercial agricultural enterprises at the single-interest rate. The government also introduced NIRSAL in 2011 to address the challenge of poor agricultural financing. The scheme focused on the development of value chain on six commodities namely cotton, tomato, maize, rice, cassava, and soybean. NIRSAL, unlike another scheme, encourages lending to all value chain actors and all categories of producers such as small, medium and large scale. NIRSAL is wholly financed by the CBN, which is also charged with the responsibility of enabling banks to lend with confidence. CBN also offers technical support and incentive to banks to reduce risk in lending. Despite the enormous resources committed to the agricultural sector by the Federal Government through the various formal credit institutions, schemes, policies, and programmes, the performance of the sector is still below average as the sector cannot supply domestic food requirement, raw materials for agro-allied industries, and generate enough foreign exchange via exports (Izuchukwu, 2011; Awe, 2013; Olomola & Yaro, 2015). The sector remains undercapitalized; most farmers are unable to secure the equity capital required for expansion of operations and modernization of their enterprises, while the phobia among banks in lending to the sector is still in existence, despite the policy initiatives to address the situation (Olomola & Yaro, 2015).

## **2. BRIEF LITERATURE REVIEW**

Agricultural credit and economic development has been discussed in the literature. Studies of related nature show the relationship between credit supply and agricultural production, but there studies are still ongoing in the literature regarding the existence and direction of the relationship between these variables. Ammani (2012) investigated the relationship between agricultural production and formal credit supply in Nigeria using simple regression model and found that formal credit had a positive and significant impact on agricultural productivity. The study is important as it revealed the impact of formal credit to each of the agricultural sub-sectors (i.e. crops, livestock, and fishing). However, the major weakness of the study was the assumption that the source of the loan to the agricultural sector was mainly through agricultural credit guarantee scheme fund (ACGSF). The assumption is quite weak as there are specialized institutions, including commercial banks and other schemes, through which credit could be sourced by farmers. Awe (2013) examined the mobilization of domestic financial resources for agricultural productivity in Nigeria. Some of the financial resources the study identified include credit facilities from Nigerian Bank for Commerce and Industries (NBCI) and credit provided by commercial and merchant banks. The results revealed that these resources have a positive relationship with agricultural productivity in Nigeria.

However, Ayegba & Ikani (2013) assessment of agricultural credit on rural farmers in Nigeria through the administration of questionnaires found that credits to agriculture have not sufficiently boost productivity in the sector. Zakaree (2014) study on the impact of agricultural credit guarantee scheme fund (ACGSF) on domestic food supply in Nigeria using the ordinarily least square approach revealed that the credit scheme had a positive and significant impact on domestic food supply. On the contrary, Akinleye, Akanni, & Oladoja (2005) appraisal of the agricultural credit guarantee scheme in Nigeria found that the scheme has failed in bringing about the desired productivity of the agricultural sector. Tasie & Offor (2013) explored the effects of international fund for agricultural development (IFAD) credit supply on rural farmers in River state, Nigeria through the administration of questionnaires. The result showed that the IFAD credit programme has contributed significantly to farm output and income.

In the same vein, Chisasa & Makina (2015) recent study on bank credit and agricultural output in South Africa using cointegration and error correction model (ECM) showed that credit supply has a positive and significant impact on agricultural output in the long run. However, the ECM revealed that bank credit has a negative impact on agricultural out in the short run. Olagunju & Babatunde (2011) examined the impact of credit on poultry productivity in South-Western Nigeria through the administration of questionnaires. The outcome of the study showed that credit acquisition by farmers had led to increased productivity of poultry. Also, Adetiloye (2012) study on agricultural financing in Nigeria found that credit to the agricultural sector is significant but noted that credit supply has not been growing in relation to the economy. Khan et al. (2011) carried out a review of past literature on agriculture credit in the rural area of Pakistan. Their research findings clearly indicated that the importance of agriculture credit as not only developing the farming but also furnished every sector of the economy positively.

Hussain & Taqi (2014) investigated the impact of agricultural credit on agricultural productivity in Pakistan using logit regression analysis. The results showed that there was a direct and significant relationship between credit and agricultural productivity. In the same vein, ur Rahman et al. (2014) investigated the impact of agricultural credit on agricultural productivity in Pakistan: an empirical analysis by using logit regression analysis. The outcome of their research findings shows that there exist a direct relationship between agricultural credit and agricultural productivity. Ahmad (2007) noted in his study that boosting agricultural productivity depends on the availability and accessibility of credit facility by farmers in respective of their areas. de Castro et al. (2012) study examine the rural credit and agricultural supply in Brazil within the period 1976-2005. The result of their research findings revealed that farmers normally have a budget constraint to purchase agricultural inputs (fertilizers, labour, pesticides, etc.), and government credit program might increase agricultural supply.

### 3. METHODS

#### 3.1 Data Sources

The data source for this study include publication from Central Bank of Nigeria (CBN) various issues, of annual report and statement of account and statistical bulletin; National bureau of statistics various issues and internet publication of policy issues on agriculture in Nigeria. 1988 broad based agricultural policies in Nigeria. The data from this period present a considerable degree of freedom that is necessary to capture the net effect of explanatory variables on the dependent variables. The data spans the period 1986 to 2015.

#### 3.2 Theoretical Framework

Chidi, (2008) and Marc, (2006) observed that countries at the early stages of development depend almost fully on agricultural growth for employment, foreign exchange, government revenue and food supply to the teemed population. In this sense, agricultural growth is the key driver of the growth of non-oil export in most countries of Sub-Saharan regions.

The following model show the interaction between agricultural growth and economic growth

$$\text{AgQ} = f(R, \text{Fx}, \text{CAg}) \dots\dots\dots (1)$$

$$\text{NonX} = f(\text{Fx}, \text{CAg}) \dots\dots\dots (2)$$

$$\text{GRDP} = f(R, \text{Fx}, \text{CAg}) \dots\dots\dots (3)$$

Equation (1) is a theoretical equation, which states that agricultural output growth (AgQ) is a function of interest rate (R), Exchange rate (Fx) and credit to the agricultural sector (CAg). Equation (2) theoretically states that non-oil export (NonX) is a function of exchange rate, credit to agriculture.. Equation 3 is the growth rate of GDP (GRDP), it is hypothesized that GRDP is a function of interest rate, exchange rate and credit to agriculture. It is important to note the problem of aggregation in this equation (3) because we are using a part to explain the whole. The problem could be solve if we used the percentage of agricultural credit to total credit (PCAg) and the percentage of NonX to total export (PNonX). Equation 3 changes to

$$\text{GRDP} = f(R, \text{Fx}, \text{PCAg}, \text{PNonX}) \dots\dots\dots (4)$$

Equations 1, 2 and 4 can be operationalised for the purpose of estimation into the following equations

$$\text{Ln AgQ} = a_0 + a_1 \text{LnR} + a_2 \text{LnFx} + a_3 \text{LnCAg} + a_4 \text{LnAgQt-1} + u_t \dots\dots\dots (5)$$

$$\text{Ln NonX} = b_0 + b_1 \text{LnFx} + b_2 \text{Ln CAg} + b_3 \text{LnNonXt-1} + V_t \dots\dots (6)$$

$$\text{Ln GRDP} = c_0 + c_1 \text{LnR} + c_2 \text{Ln Fx} + c_3 \text{LnPCAg} + c_4 \text{LnPNonX} + \text{lnGRDPt-1} + b_t \dots (7)$$

The above equations are transformed into log linear to facilitate easy estimation; we introduced lagged variables to indicate that the model is in a continuous process of adjustment and finally incorporate an error term, which is common to all econometric models given that by their nature, they are non-deterministic.

The behavioural assumptions, the a priori, or the presumptive signs are stated as follows.

$a_1, c_1, < 0$ ,  $b_1, a_2, c_2 > 0$ ,  $a_3, a_4, b_2, b_3, c_3, c_4, c_5 > 0$  while  $u_t, v_t$  and  $b_t$  are expected equals to zero. Specifically, interest is negatively related to output while exchange rate is ambiguously related to output. Credit lagged values of the dependent variables are directly related to outputs.

### 3.3 Method of Estimation

The method of estimation for this study employed three stages least square analysis; the first is that, we estimate equations 1, 2 and 4 using a three stage least square estimation technique, this is because the models are over identified. Secondly, we derived the historical simulation from the dynamic series to see how the macro-econometric models track the actual series. This is important for counter-factual analysis and to see if the models effectively evaluate the structure of agricultural production in the economy. Thirdly, we generate a policy simulation to discover the alternative policies scenario. In particular, we examine how changes in credit policy affect agricultural production, non-oil export and growth rate of GDP.

## 4. THE RESULT ANALYSIS

This section discusses the result for the study. All the diagnostic tests were generally satisfactory in all the estimated equations 8, 9 and 10. For example, the coefficient of determination and the adjusted coefficient of determination for all the equations range from 89 and 88 percent to 97 and 96 percent in all the estimated models. The f-statistics in all the equations are significant at the one percent level of significant and the Durbin Watson (DW) test show the absence of autocorrelation in all the models. This shows that the models are highly dependable.

$$\begin{aligned} \text{LnAgQ} = & 18.74 - 0.19R - 0.11\text{CAgQ} + 0.16\text{AgQt-1} \dots\dots\dots (8) \\ (4.4) \quad & (-5.9) \quad (-6.5) \quad (1.2) \\ R^2 = & 0.89 \quad R^2 = 0.88 \quad D-W = 2.09 \quad F = 60.5 \end{aligned}$$

$$\begin{aligned} \text{Ln NonX} = & 0.035 + 1.09F_x + 0.004\text{CAgQ} + 0.04\text{NonXt-1} \dots\dots\dots (9) \\ (0.3) \quad & (22.0) \quad (21.1) \quad (18.9) \\ R^2 = & 0.91 \quad R^2 = 0.89 \quad F = 193.5, \quad DW = 1.71 \end{aligned}$$

$$\begin{aligned} \text{Ln GRDP} = & 0.85 + 2.00R - 2.71F_x + 0.44p\text{CAgQ} + 0.38P\text{NonX} + 0.25\text{GRDPt} \dots\dots\dots (10) \\ (0.2) \quad & (2.3) \quad (-41.0) \quad (3.6) \quad (1.6) \quad (21.5) \\ R^2 = & 0.97, \quad R^2 = 0.96, \quad F = 295.8, \quad Dw = 2.31 \end{aligned}$$

In equation (8), all the presumptive signs were correct apart from the level of credit to agriculture, which shows a negative sign instead of the positive sign. The t-statistic below each of the equation is significant at the one percent for interest rate and lagged value of the dependant variable. In equation (9), all the presumptive sign are correctly signed and the t-statistics were all significant at the one percent level of significance. In equation (10), all the variables apart from interest rate are all correctly signed. Interest rate, percentage of agriculture credit to total credit and percentage of non-oil export to total export are significant of at 5 percent level of significant. While exchange rate and lagged value of the dependant variable are significant at 1 percent level of significance.



**Table 1: Models Evaluation**

Model	Correlation Coefficient	Root mean square error	Root mean square percent error	Theil's Inequality coefficient	
				1961	1966
Agricultural output growth	0.87	3.54	0.21	0.031	0.071
Non-Oil Export	0.99	0.02	0.013	0.001	0.011
GDP growth rate	0.97	20.9	0.105	0.056	0.107

A closer look at table 1 shows that the performance of the macro econometric model is satisfactory. For example, the agricultural output shows a correlation coefficient between actual and simulated series to be 0.87 while the root-mean-square simulated series gives 0.87 while the root-mean-square percent error is 21 percent. Theil's 1961 and 1966 are 0.031 and 0.071. This calibrated between 0 and 1; the closer to zero the coefficient, the better the simulated series track the actual values. In both case the value is less than 1 percent. In the case of non-oil export and the GDP all the measure performed very well like the agricultural output.

The results suggest that as in most developing countries, agricultural credit is an effective instrument for counter-cyclical agricultural output, non-oil export and GDP stabilization in the Nigerian economy although the value of GDP fell at the end of the period indicating that, such policies deteriorate with time.

## 5. CONCLUSION

The study examined the determinants of agricultural credit on economic development. Measures aimed at increasing agricultural production were discussed and the relationship between agricultural development and economic growth were also discussed. The result shows that agricultural credit, interest rate exchange rates were all important in affecting aggregate output in Nigeria. The study recommends that agric credits should be extended for development of agricultural production because it has causality effect on economic growth.



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## Corporate Social Responsibility and Employee Performance of Selected Nigerian Firms: A Structural Model Framework

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### ABSTRACT

The study examined the relationship between CSR and employee performance using a structural equation model framework. Survey research design was used in the study. Data for this research was obtained from Primary sources through the aid of a structured questionnaire. Krejcie and Morgan formular were used to estimate the sample size. 384 copies of questionnaires were administered to employees of the selected companies out of which only 305 copies were found to be useful for data analysis. The data were analyzed using descriptive statistics and inferential statistics of partial least square structural equation model (PLS-SEM). The hypothesis was tested at 0.05 alpha levels. Findings revealed that social responsibility and sustainability is the variable that best predicts the employee performance with the following values ( $\beta = .378$ ,  $t = 4.388$ ,  $p = .000$ ). The next vital predictor in order of importance is the economic responsibility and sustainability ( $\beta = .227$ ,  $t = 3.263$ ,  $p = .001$ ) and finally, environmental responsibility and sustainability ( $\beta = .172$ ,  $t = 2.931$ ,  $p = .003$ ) is significantly related to employee performance. Based on the findings, the study concluded that CSR philosophy facilitates the unlocking of the human capital which makes significant contribution to the success of an organisation. The study recommends that organisations should pursue CSR initiative by integrating CSR strategies with their human resource policies. They must acknowledge that having a particular concern for the welfare of their employees goes a long way to boost the employee's commitment and by extension, their performance and ultimately the growth of the organisation.

**Keywords:** Corporate Social Responsibility, Sustainability, Development, Employees, Performance

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## 1. INTRODUCTION

The rise in the global discourse on CSR has changed the narrative with respect to how corporate organizations do business in the global market. There are various strategies that organizations now employ for dealing with the interaction of societal needs, the natural environment and corresponding business imperatives. Several organizations now adopt a wide range of voluntary initiatives associated with improvement in working conditions, environmental performances and company relations with workers, consumers, local community, and other stakeholders, others continue to wrestle with the challenges of integrating economic, social and environmental expectations of their stakeholders into the overall business operations. Tsoutsoura (2004) opined that the rise in the global importance of CSR has birthed several guidelines and standards like the Global Reporting Initiative (GRI), The Global Sullivan Principles of 1991, Global Compact of 2002, AA1000/AA1000AS of 1999 and 2008, the Social Venture Network Standards and the ISO 26000. These codes and standards were introduced in response to the pressure by civil rights and environmental activist groups.

In Nigeria, Lawal and Brimah (2012) stated that there are many reasons that can be adduced to justify the need for upsurge in social responsibility implementation especially by organisations. One, the community and its business sector have a symbiotic relationship. They are interdependent and should reinforce one another. Since organizations form part of the society, the society should also be concerned about the wellbeing of the organisations' business in the same way as they should be concerned about societal welfare. Thus, the notion of corporate social responsibility stems from the long conviction that businesses have a responsibility to 'give something back' to the communities where they operate. In the time past, initiatives have been designed to 'give something back' to host communities, especially by the oil and gas multinational companies, where it is believed that the history of formalized CSR in Nigeria began (Abdullahi, Lawal, Ijaiya & Ibrahim, 2012). Organizations are increasingly beginning to understand the importance of CSR and subsequently creating value in the society through its practices since it increases productivity, contribute to competitiveness and creates positive brand image in the eyes of the investors, creditors, competitors, employees, government and the society at large.

Inclusion of CSR in mission statements and dedication of a section of annual report to CSR is common among successful and competitive organizations because it holds special appeal to stakeholders. It is an accepted fact that most companies the world over are embracing practices that engenders sustainable reporting. Global Reporting Initiative (2011) opined that "thousands of organizations worldwide now produce sustainability reports. Similarly, KPMG International Survey of 2011 which covers 34 countries (Nigeria inclusive) shows that 95 percent of the 250 largest global companies now report on their corporate responsibility activities. This is in response to the demand for organisations to be more transparent in how they treat their economic, social and environmental activities as they affect their stakeholder. One of such stakeholders is the employees

Employees are one of the most pivotal stakeholders of an organization because they can be influenced by and also influence the organizations activities thus playing an essential role in organizational effectiveness. Employees are expected to have opinions of their organization's CSR activities which can affect their level of participation and involvement. It is through employee actions and decision-making that many CSR strategies come to life. Employees are in a unique position to nurture and foster CSR performance within their organizations" (Strandberg, 2009). Employees by virtue of the strategic position they occupy are well positioned to contribute significantly with respect to the effective implementation of CSR practices and

policies. As a key stakeholder of the firm, Zappala (2004) opined that employees should be seen as an asset to be developed and valued. The involvement of employees underscores the strategic importance of the human resource management (HRM) in the CSR initiative of an organization. There is, in fact, growing evidence that human resources provide firms with competitive edge (Pfeffer, 2000).

Despite the germane roles of employees, the perception of employees towards the CSR practices and policies is usually given the least attention by the management team (Rupp, Ganapathi, Aguilera, & Williams, 2006). This seems ironic given the pivotal role of employees in an organization. They are the ones who directly witness, perceive and evaluate the CSR activities carried out by their organizations. Employee as an important key of an organization needs a good motivation, so that employee can work as well as possible. Hence, it becomes important to study various factors associated with corporate social responsibility from the employee's perspective. Mirfazli (2008) posits that failure to engage in CSR practices will cause more harm to a business than good because social and ethical responsibilities do attract and retain the best workers in any organization. From the forgoing, the main thrust of this study is to examine the impact of CSR on employee performance of selected firms in Nigerian Banking and Manufacturing Industry

## **2. LITERATURE REVIEW**

### **2.1 Conceptual Definitions of CSR**

CSR has been conceptualized in various ways by different writers, thus, there are a myriad of definition of CSR. The majority of these definitions have attempted to integrate the three dimensions to the concept; economic, environmental and social dimensions. Carroll (1979) asserts that CSR encompasses philanthropy and community contributions but also reflects the way in which the firm interacts with the physical, environment and its ethical stance towards consumers and other stakeholder. World Business Council for Sustainable Development (WBSCD, 2000) defines CSR as "the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large".

Dahan and Senol (2006) aver that CSR is defined through the ethical relationship and transparency of the organisation with all its stakeholders that has a relationship as well as with the establishment of corporate goals that are compatible with the sustainable development of society, preserving environmental and cultural resources for future generations, respecting diversity and promoting the reduction of social problems. Hopkins (2004) opines that CSR is a business concept that facilitates organizations ability to behave in a socially and environmentally responsible ways so that its business contributes to society in meaningful and lasting ways.

Asada (2010) further observes that CSR practices of corporations places premium not only on their business operations such as profits, return on investment, dividend payment, but also with respect to social, environments, health, education and other consequences. Nwosu (1996) says that CSR promotes welfarism of people and society by restraining individuals and corporate entities (government) from engaging in policies that will portray them as callous.

### **2.2 Theoretical Framework - Stakeholder Theory**

Stakeholder theory is one fundamental approach that several scholars have employed in defining and developing CSR (Post, 2003). It is upon this theory that this present study hinges. The theory suggests that survival and success of an organizations will be determined to a large extent on its ability to satisfy its

economic (e.g., profit maximization) and non-economic (e.g., corporate social performance) objectives by meeting the needs of the company's various stakeholders (Pirsch, Gupta, & Grau, 2007). Freeman, Wicks, and Parmar (2004) opined that stakeholder theory begins with the assumption that values are necessarily and explicitly a part of doing business. It asks managers to articulate the shared sense of the value they create, and what brings its core stakeholders together.

It also pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with their stakeholders to deliver on their purpose. Thus, Popa, Blidisel and Bogdan (2009) aver that the stronger the companies' relationships are with its diverse stakeholders, the easier it will be to achieve vision and mission. Stakeholder theory contributes to the corporate sustainability concept by bringing supplementary business arguments as to why companies should work toward sustainable development. Also, Perrini and Tencati (2006) states that the success and continuous survival of a firm depends on the sustainability of its stakeholder relationships; a company must consider and engage not only shareholders, employees and clients, but also its diverse stakeholders.

### **2.3 Empirical Review on CSR and Employee Performance**

Joseph, Jerome, & Mahmood, (2015) conducted a study on that examined the Link between Employees Job Performance and CSR in the Banking Industry in Nigeria. The study examined the link between employees' job performance and corporate social responsibility in the commercial banks in Nigeria. Quantitative and qualitative methods were used to obtain data through a self-administered questionnaire survey, a number of semi-structured in-depth expert interviews and content analysis. The case study organization was selected because the majority of studies conducted in Nigeria on similar or related topics were conducted on business or public organizations. The outcome of the quantitative and qualitative analysis reveals that there is a link between employees job performance and corporate social responsibility.

Paulík, Felix & Aleksandar (2015) conducted a study on CSR as a driver of satisfaction and loyalty in commercial banks in the Czech Republic. The aim of the paper was to whether CSR strategy of bank affects satisfaction and loyalty of bank customers and employees. A quantitative method of questionnaire survey and descriptive statistics was used to analyze data to support the research results. Findings revealed that 87% of Czech bank customers are satisfied with their banks. There was a positive relationship between customer satisfaction and customer loyalty. Khaled, Mohammed, Ahmed (2017) examined Employees' Satisfaction and CSR practices in Egyptian firms. The authors examined the impact of five dimensions of Social Accountability Standards (SA8000) practices on employee satisfaction: Health and safety, unions and bargaining right, discrimination, work life balance and sufficient wage. A proposed model was tested on a sample of 199 employees, which represents 49% response rate, within an Egyptian firm that is operating within the textile industry. Results showed that all internal CSR dimensions are significantly and positively related to satisfaction. In addition, the findings of the present study provided evidence to suggest a model can be developed to enhance satisfaction based on CSR practices

Ahmad, Islam & Saleem, (2017) conducted a study on Employee Engagement, Organizational Commitment and Job Satisfaction as Consequent of Perceived CSR. The study aimed at examining organizational commitment and employee engagement as consequent of perceived CSR with the mediating role of job satisfaction. A questionnaire based survey was used to collect data from 736 faculty members of higher education institutions. Hypotheses were tested using structural equation modeling. Findings revealed that, perceived CSR positively influence employees level of engagement and commitment towards their organization, whereas, this mechanism is partially supported considering job satisfaction as a mediating variable. This study is novel and has implications for the higher education institutions



Franco & Suguna (2016) conducted a study on Corporate Social Responsibility Influences, Employee Commitment and Organizational Performance. This study analyzed the multifaceted influence CSR on employee organizational commitment and organizational performance. Variables such as turnover, absenteeism and low motivation towards work and organization were concerns that were identified. The findings of the study revealed that CSR practices had significant impact on employee commitment and organizational performance. Aditya & Saily (2015) conducted a study on effects of CSR on employee satisfaction and commitment. The purpose of the research was to find out the impact of CSR on motivation and commitment of an Employee in the organization. 60 respondents were taken as the sample size. The perceptions of employees working in IT and Hospitality sector of Allahabad and Pune in India who have implemented CSR activities for at least 1 year were surveyed via a structured questionnaire. Findings revealed that there exists a strong correlation between the CSR practices an employee participates and the duration of his tenure in the organization.

Santoso (2014) conducted a study on the effect of Internal CSR towards Employee Engagement and Affective Commitment in XYZ Hotel Surabaya. This study evaluated the impact of internal CSR through the organizations HR policies and employee engagement and affective commitment. Questionnaires were administered to 90 employees in XYZ Hotel Surabaya and the hypothesis were tested using regression analysis. Findings from the result revealed that health and safety practices were the strongest predictor that influenced employee engagement and commitment. Yousafa, Alib, Ali, Muhammad (2016) conducted a study on effect of Internal CSR on Employee Engagement a Study of Moderated Mediation Model. The study employed a cross sectional quantitative study using a sample size of 163 employees of five major commercial banks operating in Pakistan. A structured questionnaire was used to collect data. Findings from the results revealed that internal CSR has direct impact and indirect impact through employee perception on employee engagement.

### 3. METHODOLOGY

The study population constitutes all the firms in both Nigerian banking and manufacturing industry. For the banking industry, the study population was banks categorized as Tier 1 (Zenith Bank Plc, UBA Plc, GTBank Plc, FBN Plc, and Access Bank Plc) and adjudged to be controlling 60 percent of banking sectors assets in Nigeria (Akanbi 2014). The firms in the manufacturing industry were selected from the Food and Beverage Group. The firms are Cadbury Nigeria Plc, Flour Mills Nigeria Plc, Nestle Nigeria Plc, UACN Nigeria Plc, and Unilever Nigeria Plc. All ten firms were selected using purposive sampling having constantly and continuously disclosed their CSR activities explicitly in the last ten years. This survey research was mainly based on primary data collected from employees of selected firms. Primary data were used in this study. A sample was drawn from the population, hence; a sample size of three hundred and sixty (384) respondents constitutes the sample size for questionnaires that were administered to the staff respondents which was arrived at using Krejcie and Morgan's (1970) sample size determination criteria

Out of the 384 copies of the questionnaire given out, 305 copies of questionnaire were filled appropriately and useful for analysis. Data collected from the questionnaire were analyzed with the aid of a Structural Equation Model (SEM) because it is a tool which allows treatment of data analysis with multivariate relationships involving one or more independent variables against one or more dependent variables (Smith, 2004; Daud, Mohamed and Alhamali, 2009). The primary reason for adopting SEM is the ability to frame and answer increasingly complex questions about data (Kelloway, 1998). It is more advanced than factor analysis and multiple regression analysis, but combines essential rudiments of both techniques for



confirming intercorrelated dependent relationships simultaneously within a model (Hair, Hult, Ringle, & Sarstedt, 2014; Sweeney, 2009). SmartPLS 3.0 statistical package was used for the analysis because it is a powerful multivariate analysis technique that includes specific versions of a number of other analysis methods as special cases. The hypotheses were tested at 5% level of significance.

### 3.1 Test of Hypotheses

H<sub>0</sub>:- CSR does not have any significant impact on employee performance of selected firms in Nigerian Banking and Manufacturing Industry

H<sub>1a</sub>: Economic responsibility and sustainability does not have any impact on employee performance

H<sub>1b</sub>: Social responsibility and sustainability does not have any impact on employee performance

H<sub>1c</sub>: Environmental responsibility and sustainability does not have any impact on employee performance

## 4. RESULTS AND DISCUSSION OF FINDINGS

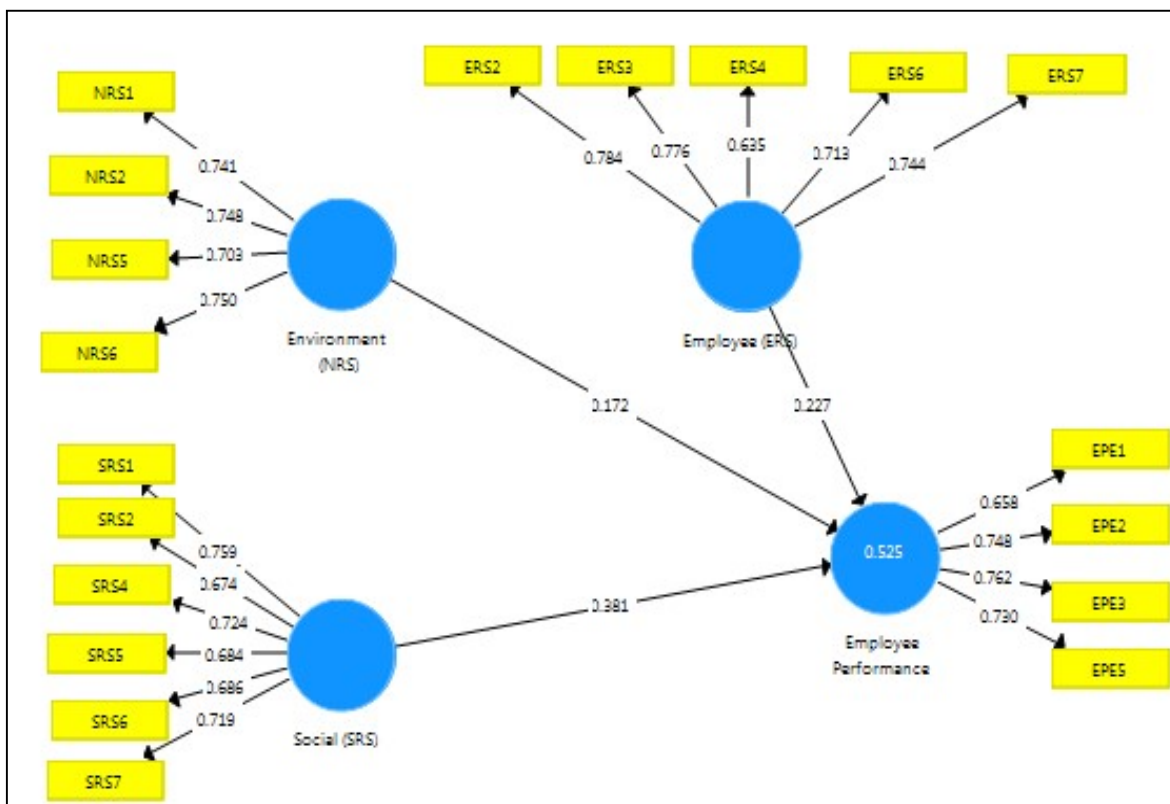
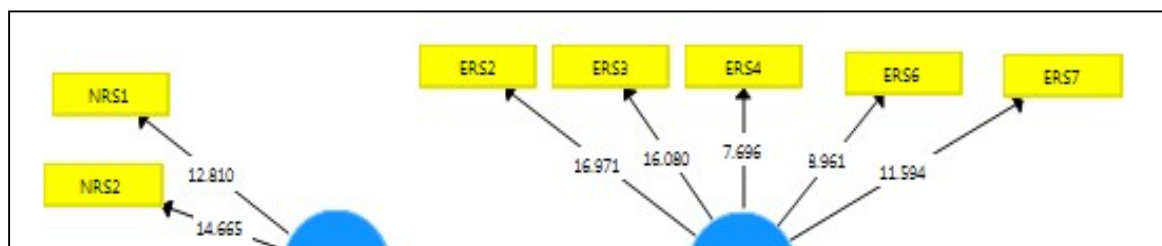


Figure 1: Result for Reflective Measurement Model Algorithm for Employee Performance



**Figure 2: Results of Bootstrapping on Structural Model (Employee Performance)**

**Table 1: Results of Hypotheses Testing One (1)**

Hyp.	Relationship	Beta	S.Error	T - value	P -value
<b>H<sub>1a</sub></b>	Economic (ERS) -> Employee Performance	0.227	0.070	3.263	0.001
<b>H<sub>1b</sub></b>	Environment (NRS) ->Employee Performance	0.172	0.059	2.931	0.003
<b>H<sub>1c</sub></b>	Social (SRS) ->Employee Performance	0.378	0.087	4.388	0.000

**Note:** Three of the hypotheses are supported based on their T-values (T-value  $\geq 1.96$ ).

Hypothesis 1a predicted that CSR (economic) related to employees' performance. Result (Table 1, Figure 1) revealed a significant positive relationship between CSR (economic) and employees' performance ( $\beta = 0.227$ ,  $t = 3.263$ ,  $p = 0.001$ ). Therefore, Hypothesis 1a is supported.

Hypothesis 1b predicted that CSR (environment) is related to employees' performance. Result (Table 1, Figure 1) showed a significant positive relationship between CSR (environment) and employees' performance ( $\beta = 0.172$ ,  $t = 2.931$ ,  $p = 0.003$ ). Hence the hypothesis 1b is aligned with.

In addition, in examining the influence of CSR (social) on employees' performance, result indicated that CSR (social) had a significant positive relationship with employees' performance with ( $\beta = 0.378$ ,  $t = 4.388$ ,

$p = 0.000$ ). Hypothesis 1c is supported.

The finding above shows that CSR significantly relate to the employee performance. The discussion on the relationship between individual employee performance (economic, social and environmental) was offered individually. Among the three hypothesis, social responsibility and sustainability is the variable that best predict the employee performance with the following values ( $\beta = .378$ ,  $t = 4.388$ ,  $p = .000$ ). The next vital predictor in order of importance is the economic responsibility and sustainability ( $\beta = .227$ ,  $t = 3.263$ ,  $p = .001$ ) and finally, environmental responsibility and sustainability ( $\beta = .172$ ,  $t = 2.931$ ,  $p = .003$ ) is significantly related to employee performance. All the three independent variables impacted on the directional hypothesis. Therefore, hypothesis  $H_{1a}$ ,  $H_{1b}$  and  $H_{1c}$  are supported. The findings of this study is consistence with previous findings of Korschun, Bhattacharya, and Swain, (2014) and Bai and Chang (2015) whose studies indicted a positive relationship between CSR and employee performance.

## 5. CONCLUSION AND RECOMMENDATIONS

The dynamism in 21st century has changed the landscape of business activities. One of the changes is organizations thinking beyond meeting only the economic bottom line of profitability. CSR, stemming from internal values or social and environmental pressures, is becoming the norm. The global emphasis is how organisations' can strategically engage in CSR, satisfy its diverse and numerous stakeholders and reap the long term benefits of such engagements. Employees by virtue of their human nature have not only economical, but also social and emotional expectations from their companies. Hence, adoption and engagement in CSR practices can be used to meet and fulfill their expectations from organizations. When employees expectations are met and surpassed through CSR practices, their affective and normative commitments would also increase thereby, undoubtedly reinforcing the organizational commitment of employees (Peterson, 2004). Simultaneously, such companies also will have improved goodwill, brand value and better reputation from the point of view of the employees and the society, and hence more job satisfaction will be observed

Given the already intense pressure brought by stakeholders globally on utilization of resources in line with the principles of sustainable development that underpins the concept of CSR, There is need for the enshrinement of the CSR philosophy in all organizations in order to achieve a sustainable development that the 21<sup>st</sup> century demands. Companies should maintain, sustain and improve on the current tempo of CSR initiatives

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## The Role of Government and Religion in Combating Violence in Nigeria: The Niger Delta Experience

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### ABSTRACT

This paper focuses on the role of government and religion in combating violence in Nigeria: The Niger Delta Experience. Nigeria has been entangled with several ethno-religious conflict which affects good governance and the practice of religion since the return of democracy in 1999, but the government and religious organizations are charged with the formulation and implementation of public policy through the mobilization of national resources and their allocation for the attainment of societal goals. Government and religious organizations have been trying to meet up the increasingly heavy demands and challenges of tackling violence among the citizens within the nation. The study argues that violence is common and unavoidable in all spheres of human existence, violence occur because society is composed of people with differing interests and values. It was revealed that violence activities among different groups is common in Nigeria and it is increasing through widespread violence, kidnapping for ransom, classes between groups, destroying properties, killing of innocent people, destruction of people's farmland, oil blocks, mass protest and civil disobedience. The study employed qualitative approach and utilized content analysis. Thus, the study employed secondary sources of data. The paper recommended that the government should identify countries that experience similar inter-communal conflict and initiate policies against violence act, the government and religious groups should press for accountability for perpetrators and instigators of violence to combat impunity.

**Key words:** - Conflict, Ethno-religious, Government, Religion, Violence.

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### 1. INTRODUCTION

Violence activities have affected service delivery in Africa and especially in Nigeria. Over the years, violence has threatened Nigeria's peace, stability and unity. As the current administration is fighting war against terror in the North-East Nigeria, also militant groups in the Niger Delta (South-South) have brought different violence actions, because violence occur when parties in a state independence perceives diverse views or



believe that their aspirations or goals cannot be achieved simultaneously. Violence in Nigeria has taken various forms as; in the Northern Nigeria it involves religious violence, extremist attacks, South-East it involves Cultism, Robbering, Kidnapping, while in the South-West it involves political violence, thuggering, Robbering, on the other hand, in the South-South Nigeria violence activities involves kidnapping, cultism, robbing, destruction of people properties and Oil blocks, Intimidation, Tribal class, abuse among others. Since the returned of democracy in 1999, the Muslims in the Northern, the Western which comprises Muslims and Christians, and the Southern Nigeria had experienced in different act that posses dangers to the government and religious groups in Nigeria.

Violence activities in Nigeria have showed much casualties. It has affected and lead to millions of death, discouragement of foreign investment, influxes of refugees and displaced people. But Government and religion has help to meet up the heavy demands and challenges of tackling violence activities among the citizens within the nation. Government and religion has help to fosters in effective and efficient tool in combating violence activities in Nigeria and in relation to the Niger Delta states.

Jona and Okou (2014) religion through the government has helps in the following roles in combating violence in Nigeria. It is fundamentally rooted in faith, it emphasizes spirit of service and core, its rituals are essentially expressive and process oriented, its emphasis are on asceticism, stress, discipline, self-denial, repetition and character molding. In fact, the biblical scripture (Mark 12:31, Leviticus 19:18) added "Love your neighbour as yourself". Consequently, a society like Nigeria that needs to survive on even development government and religion could serve and has indeed served as an instrument of social harmony in many civilizations.

## **2. CONCEPTUAL CLARIFICATION**

### **2.1 The Concept of Violence**

Obasi, (1984:440) define violence as behaviour intended to cause bodily pain or injury to another. World Health Organization (2016) violence is defined as the intentional use of physical force of power, threatened or actual, against a group or community, which either results in or has a high likelihood of resulting in injury, death, psychological harm, maldevelopment; or deprivation, Sedman (1991:370) violence is not an inherent aspect of conflict but rather a potential form that conflict my take. Duvall and Ackerman (2008) in Govier (2008) violence refer to the sort of physical violence involving in war, terrorism, and revolution; the tools of violence include guns, tanks, bombs, and other instruments of physical force. Violence methods include intentional killing, beating, assaulting, torturing, wounding, or damaging by the use of physical force.

### **2.2 Government**

Government means a body of people vested with power to make and enforces law in a given country. Government is charge with the formulation and implementation of public policies through the mobilization of national resources and their allocation for the attainment of societal goals. Government is a group of people who exercise authority over a group of people in a state, society or country. Government performs several roles in the society which includes; Policy formulation, implementation, provision of social services to the people, provision of citizenship education and training, employment generation, improving welfare of the citizenship and among others. Government provides public policies to the citizens which help for effective and efficient service delivery in Tambou (2016).



### 2.3 Religion

According to Vincent (2014 - 1:2) it is an organized system of beliefs, ceremonies, practices and worship that are centered on the duty or supreme being. It is important to note that many people especially in Africa belong to more than one religion. In other words, they are syncretistic.

Coakely (2007) in Jona and Okou (2013:61) sees religion as a socially shared set of beliefs and rituals that people use to transcend the material world and give meaning to important aspects of their lives. Religious beliefs and rituals are unique because people connect them with a sacred and supernatural realm and accept this connection on faith, which is the foundation for all religions and religious beliefs. Religion in relation to human being is regarded as holy, sacred, spiritual and divine way which further has power or powers that control human destiny. Hence, it is a person's relation to God or god's or spirits which could also mean faith, belief and/ or mode of worship. Worship here, is probably the most basic element of religion, but moral conduct, right belief and participation in religious institutions are the general constituent elements of religious life as practiced by believers and as commanded by religious sages and scriptures. Thus, religion is the source of illumination and the cause of development in all human advancement which has been the basis of all civilization and process in the history of mankind. Religion is the source of meaning and hope for the vast majority of the inhabitants of the planet and it has limitless power to further inspire sacrifice, commitment and change among its followers.

### 2.4 The Role of Government and Religion in Combating Violence in Nigeria-Niger Delta States

Government and religion has played diverse roles in curbing violence in Nigeria and especially in the Niger Delta region. Importantly, the Nigerian government through the help of the state governments have mapped out strategies in combating violence in the Niger Delta region which includes;

- **Provision of public goods and services:** Government performs the role of providing public goods and services that will meet the demands of the citizens at any point in time.
- **Protection of civil Liberties:** Government through this means help to establish an efficient civil liberties process in providing service delivering within the public.
- **Promotion of economic growth and development:** Government seeks to facilitate and foster the growth and development of the nation's overall economy.
- **Provision of training program and employment generations:** Government also help to provide massive training programs for the teeming youth and also provide employment opportunities especially for the unemployed graduates that will help to curb violence act.
- **Protection of life and properties:** Government at any point in time protects life and properties. This process is achieved through the use of the military and police force to curb violence in act in the state. While on the other hand, religion which plays the following roles in curbing violence in the Niger Delta region.
- **Prayer:** Prayer has been adjudged as the best powerful tool in resolving violence in Niger Delta region that is, by praying to God, any problem can be solved because God is Omnipotent. God answers the prayer at any point in time.

- **Condemning violent acts by religious leaders:** Another role played by religion is condemning acts of violence. Because in the old Testament, God sent prophets to condemn the Israelite Kings who had gone astray and caused conflicts e.g. Samuel condemned King Saul (1Sam 15:10-35), prophet Nathan condemned King Solomon for having oppressed God's people (1Kings 17:21:20-29). Religion has helped greatly in averting different violent acts in the Niger Delta region; many religious groups often condemn and stand against all forms of violence in the region.
- **Advocating of peace mediation between warring factions:** Through peace mediation, religion plays a crucial role in conflict, violence resolution and management. Religious organizations in the world have been involved in resolving violence among warring groups. Christian Association of Nigeria (CAN) has several times represented the Nigerian government in settling disputes between the government and the Niger Delta militant groups.
- **Performance of rituals that can cause peace:** This also helps in solving violent acts among the Niger Delta region. For instance, the offering of sacrifices to the spirit is emphasized; it is believed that by making them happy, they can cause peace to happen. Because spirit can deliver people's prayers to God for him to make people get what they want.
- **Making people to follow religious teaching.** Another role played by religion is the process of teaching the public in order to convert and follow up the good life. For instance, teaching can come from people to leave holy life, repenting from sins or evil and turning back to God. All the world religious groups teach that by repenting and stopping evil acts, violence might have been existing in homes/families, organizations, societies and countries are more likely to stop. More so, in embracing Islamic religion prophet Mohammed (Phub) condemned these evils and many people stopped them. Similarly, in the bible, Paul, originally called Saul was a strong persecutor of Christians but when he was going to Damascus to arrest and imprison Christians, his life was changed and henceforth became a true follower of Christ (Acts 9:1-19, 22:6-16, 26:12-18). This means that, when the people decided to stop evil and live in holy lives, this can stop or prevent prevailing violent acts in the Niger Delta State. Okou (2014:61) it is undoubtedly true that religion is a major influence in the world today, it is worthy of note that people in all cultures seem to have a set of beliefs that go beyond both themselves and the natural world.

## **2.5 Challenges Government and Religious Leaders faced in combating violence in the Niger Delta Region.**

It is an incontrovertible fact to note that in resolving violent acts in the Niger Delta Region, there are lots of obstacles which affect the process, and among these are:

- One challenge government and religion face in resolving violence is the issue of religious fundamentalism
- Another challenge is doubting nature of the people. That is, the belief among many politicians that miracles do not occur in the political field, so prayers as it is believed cannot solve political problems.
- Many at times, Religious Leaders needed peace and at the same time armed violence as a way of achieving peace, so a conflict of interest may prevail. This shows with some religions that support violence against the enemy.
- Many soldiers understand strongly the use of "language of the gun", it is what they fear, not the words. This makes them fail to listen to the news of religious leaders and which the government also failed to play a part in condemning the view.

- Religion intolerance among the people. Another obstacle in combating violence in the Niger Delta Region is the problem of Religion intolerance among the people, because different religions groups fail to tolerate other religions groups in the area. That is the divides of Pentecostal, Anglican, Catholic Churches and the traditional, Islam groups, these greatly affect it role in resolving violence.
- The problem of corruption among government officials and religions leaders. Many government personnel's and religions leaders are alleged to be corrupt, sexually immoral, cheats, liars and irresponsible, these make the people of the Niger Delta region not to take their words seriously and which can lead to more violence act in the area.
- Problem of nepotism, tribalism and favoritism. These are big obstacle in combating violence in the Niger Delta Region. Because politicians and religions leaders always considered their tribes, well wishers in position and these greatly hinder the fight against violence in the Niger Delta areas. For instance, some leaders in the Niger Delta Region have accuse the current administration of Nigeria in sidelining the Niger Delta areas of appointments, that the government has failed to adhere to the principles of Federal Characters where every positions should cut across every parts, this issue has cause hatred which has brought in another militants group called Niger Delta Avengers which at present have been attacking and destroying pipelines in the Niger Delta area every given month.

### 3. METHODOLOGY

The study employed qualitative approach and utilized content analysis. The secondary sources of data was employed to ascertain the effective role plays by government and religion that geared towards curbing violence in the Niger Delta Region.

### 4. FINDINGS AND CONCLUSION

The study observed that violence is very common in the Niger Delta Region and unavoidable in all sphere of human society, because violence is composed of people with differing interests and values. But government and religion has tried in several means in combating different violence activities in the Niger Delta Region. Government and Religion plays compatible roles in standing against violence act in the Niger Delta States of Nigeria and in relation to the Niger Delta region. The government through different states in the Niger Delta region had introduced several skills acquisition programs that will help to reduce or stop violence act in the region.

### 5. RECOMMENDATIONS

Based on these, the study recommended the following ways in combating violence in the Niger Delta States of Nigeria.

- i. Government and religions groups should stop the issue of intolerance among their fellow citizens. That if they tolerate each other it will help to promote unity in the fight against violence
- ii. Government and religions groups should stand against favoritism, nepotism and tribalism in dealing and sharing of public positions, in doing so, it will help to curb violence act.
- iii. Government and religions groups should draw instances of countries that faces similar inter-communal violence and have initiated policies against radicalization and violence

- iv. Government and religion leaders should organize and fund nationwide civic education program that will inculcate the significance of a common nation of citizenships, based on respect of ethnic and religious diversity, national unity and cohesion
- v. Government and religions groups should take measures against discrimination in education and employment opportunities between the indigenes.
- vi. Government and religions leaders should press for accountability for perpetrators and instigators of violence to combat impunity.
- vii. Government and religion as a subject should be made compulsory for students at all levels of the educational system which will help to instill moral conduct, and the Bible and the Holy Qur'an which are the basis of the religions studies in Nigeria should be emphasized on the communal expectations of man to uplift moral and religious values

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## Developing Effective Communication Skills for Successful Report Writing

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### ABSTRACT

Effective communication requires paying attention to an entire process, not just the content of the message. For a messenger in this process, consideration should be given to potential barriers at several stages that can keep intended audience from receiving the message. What limits messengers from communicating effectively? How do they handle differing or challenging perspectives? What impression does communication style make on the members of a team viz-a-viz the writing of a report thereafter? This article provides insights into communication challenges and advocates for the development of effective communication skills as a key to successful report writing.

**Key words:** - Communication, skills, report writing, team, and practicing.

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## 1. INTRODUCTION

Conceptually, the Advance Learners Dictionary perceives a “Report” as:

*“a statement; a detailed account after investigation; or a summary of activities within a fiscal year and those proposed for future periods given by a leader”.*

Examined critically, these perceptions show that a report provides a basis for an account of a speech, event or activities within the society. For example, by tradition, the Nigerian successive government make a report on the state of the economy on periodic terms in the form of varying socio-economic development planning reports e.g. the perspective (long term), national development or rolling (medium term) and annual (short term) plans respectively.

In most cases, reports are supposed to be presented to a group of people – organization, board members, clubs, citizens in a country etc. In this regard, it is imperative that reports must be presented in such a way as to make them become understandable so as to allow for the commitment of the readers. Given this, this very short paper attempts to examine the contemporary issues in report writing. To this end, the paper is arranged as follows. Part II focuses on report types while part III is on the objective of writing a report. Other subsequent parts are on report content (method of presentation, structure/outline, length of report, language, illustration (appendix), writing the report and the conclusion respectively.

## 2. REPORT TYPES

It is important to recognize from the onset that there are varying forms of reports. The variation of the forms depends largely on some factors which relate to:

- i. the degree of the technicality/non-technicality of the report;
- ii. the theme and objective of the report;
- iii. the targeted audience of the report- professionals, military, civilians etc.
- iv. the period of reporting – boom or depression

In these regards, it is possible to identify the following types of reports;

- i. Technical and non-technical reports – Journals, Reading Books, Research Reports
- ii. Academic and non-academic reports – Thesis, Religious Reports
- iii. Development reports, etc – Vision 2010 Report, NEEDS, CBN Reports
- iv. Professional and non-Profession reports – Law Books, Non-legal Reports

Incidentally, the classification of reports into their varying categories subsequently determines the method, mode, language, length and the audience of report presentation.

### 2.1 Defining the Reports Objectives

At the initial stage of preparing a report of whatever form, it is necessary to effectively identify the specific purpose or objective of the report. This perhaps would lead to raising a number of questions such as:

Why is the report being written? What purpose is the report meant to serve? What exactly is the audience expected to do with the report? What will the reader gain for having read the report? What specific analytical tools would best present the goals of the report in an understandable way? How would the available information be arranged to allow for easy reading and understanding?

The extent to which these questions would be answered satisfactorily determines the depth of report analysis. However, in some cases it is necessary to answer these questions so as to show whether or not the report is meant to:

- i. develop decision-making skills;
- ii. acquire and apply analytical tools;
- iii. develop abilities to evaluate the level of development;
- iv. solve what type of problem;
- v. change people's attitudes;
- vi. analyze relationship and synthesis techniques
- vii. Investigate important academic/non-academic issues.

Once the report writer knows what he wants the audience to learn (objective of the report) he goes on to create the case for it accordingly. Thus, the failure to define the objectives of a report will result in preparing a report without a direction. This could make report analysis and evaluation difficult and subsequently allow for the failure of the report.



## 2.2 The Report Content

It is important to note that the audience (reader) constitutes the centre piece of the report that is being prepared. This suggests therefore that the report must be prepared in such a way that it will attract the readers involvement in order to stimulate them to grapple with the issues in the report. To allow the report to stimulate the interest of the readers, the report content must necessarily be considered along some factors for acceptability, easy analysis and evaluation. Such factors relate to the following:

### (i) The Method of Presentation

Any report prepared is meant for human consumption. In this regard, the method of presentation should be such that relates the goal of the report to its instruments. For example, reports meant to:

- teach problem solving should solve problems;
- teach application of techniques should provide data in such a form that the readers could apply the technique;
- teach evaluation of data should provide data which is not in a readily usable form;
- Teach evaluation of documents should provide good or bad
- Documents for comments;
- Teach decision-making should present data or a problem requiring a decision-making.

### (ii) The Report Structure (Outline)

It is important to prepare an outline showing the structure of the report before embarking on the preparation of the report. Outlines provide a guide to the report writer as they enable him to visualize alternative arrangement of the selected sub-theme and the sequence of the appropriate divisions and sub-divisions. This may allow the writer to determine if each section of the outline is likely to receive the attention it deserves.

It is imperative that the outline should be designed to present the report as clearly and as briefly as possible under properly organized sequence. There could be need for occasional revision of the outline particularly when fresh information is required. However, in preparing the outline four factors must be given adequate consideration:

The focus of the report: This determines the type of information required for inclusion or exclusion in the report. For as long as the focus is properly made the report analysis would be easy and adequately made.

- a. The target audience: This will determine the nature, volume of information and the language to be used in the report.
- b. Organization of the available materials: Reports must be structured in such a way as to ensure realism in order to stimulate active discussion by the targeted audience. Available information must be arranged sequentially.
- c. Effective communication between the writer and the readers. This makes for thorough understanding of the content of the reports and future possible commitment of the reader.

### (iii) The Length of the Report

Certainly, there is no rigid rule regarding the length of a report. On many occasions, people talk about their desire for brevity and also the desire for thoroughness. In spite of the need for these a report must be long enough to accomplish its purpose and yet short enough to be easily read by readers who may have some difficulty reading through lengthy reports. However, we may wish to recognize that, the more brief a report is, the better. Nonetheless, it is important to note that brevity must not be attained at the expense of excluding information critical to the report analysis.

The suggested guide on the volume of the report include:

- (a) Write only that which needs to be written
- (b) Clarify only that which needs to be clarified; and
- (c) Communicate in a style that facilitates rather than hinders comprehension.

All of these make for easy and fascinating report analysis and evaluation.

#### **(iv) Language of the Report**

Language used in preparing a report would be dependent on the type of report being prepared (technical/non-technical; professional/non-professional; ordinary/complex; the targeted audience and the period when the report is prepared and read). It is possible to use technical quantitative or qualitative languages. The most important thing is that of thorough understanding by the reader. This therefore suggests that appropriate language must be used for each type of report that is being prepared e.g. Professional languages for professional reports and non-technical languages for non-technical reports. Academic languages for academic reports and religious languages for religious reports.

#### **(v) Illustrations and Appendix**

In some cases illustrations and exhibits to reinforce the arguments in a report may be necessary. Such illustrations and exhibits could be placed either in the body of the text or separately as an appendix at the end of the report. There must be specific references on each of the illustrations or exhibits at the appropriate places in the text. Any material that is too long to be included in the text but cannot be ignored may be included as an appendix.

It is important to note that an appendix constitutes an effective and efficient means of presenting important data in a report. If well prepared it reduces the written length of a report although it is not a total substitute for the written text in general. It is necessary to prepare the appendix to reflect relevance, focus and clarity. There is no fixed rule on its number in a report.

### **3. WRITING THE REPORT**

The report writing must be structured to capture in words, but without interpretation a decision-making situation or some similar experience. In order to allow for the preparation of a good text, the report has to be well organized, expressed in good and logical language (English) and free of errors of grammar, punctuation, or word choice. It must have the additional features of clarity of presentation, economy of words, completeness of coverage and consistency of data and other facts.

#### **3.1 Communication Is a Process**

Effective communication requires paying attention to an entire process, not just the content of the message. When you are the messenger in this process, you should consider potential barriers at several stages that can keep your intended audience from receiving your message. Be aware of how your own attitudes, emotions, knowledge, and credibility with the receiver might impede or later whether and how your message is received. Be aware of your own body language when speaking. Consider the attitudes and knowledge of your intended audience as well. Diversity in age, sex, and ethnicity or race adds to the communication challenges, as do different training backgrounds. Individuals from different cultures may assign very different meanings to facial expressions, use of space, and, especially, gestures. For example, in some Asian cultures women learn that it is disrespectful to look people in the eye and so they tend to have downcast eyes during a conversation.

But in the United States, this body language could be misinterpreted as a lack of interest or lacks of choose the right medium for the message you want to communicate. E-mail or phone call? Personal visit? Group discussion at a meeting? Notes in the margin or a typed review? Sometimes more than one medium is appropriate, such as when you give the patient written material to reinforce what you have said, or when you follow-up a telephone conversation with an e-mail beginning, "As we discussed...."

For one-on-one communication, the setting and timing can be critical to communicating effectively. Is a chat in the corridor OK, or should this be a closed-door discussion? In your office or over lunch? Consider the mindset and milieu of the communication receiver. Defer giving complex information on someone's first day back from vacation or if you are aware of situations that may be anxiety-producing for that individual. Similarly, when calling someone on the phone, ask initially if this a convenient time to talk. Offer to set a specific time to call back later. Finally, organize content of the message you want to communicate. Make sure the information you are trying to convey is not too complex or lengthy for either the medium you are using or the audience. Use language appropriate for the audience. With patients, avoid medical jargon.

### **3.2 Be Attuned to Body Language – Your Own and Others**

Many nonverbal cues such as laughing, gasping, shoulder shrugging, and scowling have meanings that are well understood in our culture. But the meaning of some of these other more subtle behaviors may not be as well known.

**Hand Movements:** Our hands are our most expressive body parts, conveying even more than our faces. In a conversation, moving your hand behind your head usually reflects negative thoughts, feelings, and moods. It may be a sign of uncertainty, conflict, disagreement, frustration, anger, or dislike. Leaning back and clasping both hands behind the neck is often a sign of dominance.

**Blank face:** Though theoretically expressionless, a blank face sends a strong do not disturb message and is a subtle sign to others to keep a distance. Moreover, many faces have naturally down turned lips and creases of frown lines, making an otherwise blank face appear angry or disapproving.

**Smiling:** Although a smile may show happiness, it is subject to conscious control. In the United States and other societies, for example, we are taught to smile whether or not we actually feel happy, such as in giving a courteous greeting.

**Tilting the Head Back:** Lifting the chin and looking down the nose are used throughout the world as nonverbal signs of superiority, arrogance, and disdain.

**Parting the Lips:** Suddenly parting one's lips signals mild surprise, uncertainty, or unvoiced disagreement.

**Lip compression:** Pressing the lips together into a thin line may signal the onset of anger, dislike, grief, sadness, or uncertainty.

### **Build a Team Culture**

In oncology, as in most medical practices, much of the work is done by teams. Communication within a team calls for clarifying goals, structuring responsibilities, and giving and receiving credible feedback.

“Physicians in general are at a disadvantage because we haven’t been trained in team communication,” says Cohn. He point out that when he was in business school, as much as 30% to 50% of a grade came from team projects. “But how much of my grade in medical school was from team projects? Zero”

The lack of systematic education about how teams work is the biggest hurdle for physicians in building a team culture, according to Cohn. “We’ve learned team behaviors from our clinical mentors, who also had no formal team training. The styles we learn most in residency training are ‘command and control’ and the ‘pace setting approach,’ in which the leader doesn’t specify what the expectations are, but just expects people to follow his or her example”.

Cohn says that both of those styles limit team cohesion. “Recognizing one’s lack of training is the first step[in overcoming the hurdle], then understanding that one can learn these skills. Listening, showing sincere empathy, and being willing to experiment with new leadership styles, such as coaching and developing a shared vision for the future are key.”

**Stated goals and team values:** An effective team is one in which everyone works toward a common goal. This goal should be clearly articulated. In patient care, of course, the goal is the best patient outcomes. But a team approach is also highly effective in reaching other goals in a physician practice, such as decreasing patient waiting times, recruiting patients for a clinical trial, or developing a community education program. Every member of the team must be committed to the team’s goal and objectives. Effective teams have explicit and appropriate norms, such as when meetings will be held and keeping information confidential. Keep in mind that it takes time for teams to mature and develop a climate of trust and mutual respect. Groups do not progress from foaming to performing without going through a storming phase in which team members negotiate assumptions and expectations for behavior.

**Clear individual expectations:** All the team members must be clear about what is expected of them individually and accept their responsibility for achieving the goal. They should also understand the roles of others. Some expectations may relate to their regular job duties; others may be one-time assignments specific to the team goal. Leadership of the team may rotate on the basis of expertise.

Members must have resources available to accomplish their tasks, including time, education and equipment needed to reach the goal. Openly discuss what is required to get the job done and find solutions together as a team.

**Empowerment:** Everyone on the team should be empowered to work toward the goal in his or her own job, in addition to contributing ideas for the team as a whole. Physicians’ instinct and training have geared them to solve problems and give orders – so they often try to have all the answers. But in an effective team, each team member feels ownership in the outcome and has a sense of shared accountability. Cohn notes, “You get a tremendous amount of energy and buy-in when you ask” ‘What do you think?’ Team members must trust each other with important tasks. This requires accepting others for who they are, being creative, and taking prudent risks. Invite team members to indicates areas in which they would like to take initiative. Empower them by giving them the freedom to exercise their own discretion.

**Feedback:** providing feedback on performance is a basic tenet of motivation. For some goals, daily or weekly result are wanted, while for others, such as a report of the number of medical records converted to a new system or the average patient waiting times, a monthly report might be appropriate. Decide together as a team what outcomes should be reported and how often.

**Positive reinforcement:** Team members should encourage one another. Take the lead and set an example by encouraging others when they are down and praising them when they do well. Thank individuals for their contributions, both one on one and with the team as a whole. Celebrate milestones as away to sustain team communication and cohesion.

#### **4. CONCLUSION**

Given the foregoing analysis, to develop and prepare an effective report entails a lot of hard work, exertion of energy, commitment and discipline. The value of a good report is usually reflected daily in the activities and decisions of the public servants who would have read the report. The reader (audience) is the most important figure in the development process of a report. This is because he constitutes the market for the report. The report must therefore be well structured and written for effective analysis to attract the reader's interest. We also need to bear in mind that the starting place for effective communication is effective listening. As rightly observed by Kenneth H. Cohn, that Active listening is listening with all one's senses i.e. it is listening with one's eyes as well as one's ears to essentially balance the mutual relationship between effective communication skills and successful report writing at any given time or over a period of time.

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## Macroeconomic Variables, Volatility and Stock Market Returns in Nigeria

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### ABSTRACT

There is a growing literature on how macro-economic variables can have effects on equity returns in both developed and emerging stock markets. This paper investigates the relationship between the real Gross Domestic Product, real foreign exchange rate, inflation and net capital flow. The study determined the response of the stock returns to a shock in each of the macroeconomic variables. Engle-Granger two step method was used to establish the co-integrating relationship between stock returns and the macroeconomic variables. Threshold Generalised Autoregressive Conditional Heteroscedasticity (TGARCH) model was used to capture the leverage effects and volatility persistence at the NSE. Published time series quarterly data from 2012 to 2014 was sourced and analysed. Progression model revealed that exchange rate showed a significant relationship with stock returns. One percentage increase in depreciation of a domestic currency decreased stock returns by 1.3 percent. Real gross domestic product, real foreign exchange rate and inflation rate, net capital flow indicated insignificant relationships. TGARCH model showed that the impact of news was asymmetric and there was presence of leverage effects. There was absence of volatility persistence among all the macroeconomic variables.

**Keywords:** TGARCH, Macroeconomic Variables, Volatility, Stock Market and Nigeria

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### 1. INTRODUCTION

A broad consensus has emerged in recent times emphasizing the idea that stock markets occupy a strategic position in both developing and industrialized nations. It has become a significant component of a country's financial system and a common feature of a modern economy (Sally, 2011). The price of shares and other assets is an important part of the dynamics of economic activities and can influence or be an indicator of social mood and business performance. History has shown that the performance of a stock market is perhaps the most potent instrument for measuring social or economic developments in any economy. Drabenstott and Meeker (1999) call it a barometer for the economy. The nature and the state of a stock market is of great concern to the government, investors and generally all stakeholders. As an economic institution, stock market plays a major role of enhancing the efficiency of capital formation and allocation.

Thus the overall development of the economy is a function of how well the stock market performs. Empirical evidence has shown that the development of a capital market is essential for economic growth (Ashaolu and Ogunmuyiwa, 2010). The relationship between stock prices and macroeconomic variables is well illustrated by the theoretical stock valuation models. According to the models, the current prices of an equity share is approximately equal to the present value of all future cash flows, hence any macroeconomic variable that affects cash flow and the required rate of return will in turn influence the share value as well. Stock returns are generally believed to be determined by some fundamental macroeconomic variables (Evans et al, 2014). The volatility of stock returns represents the variability of stock price changes during a particular period of time. Despite being a measure of risk, excessive stock returns volatility or “noise” according to investors undermines the usefulness of the stock prices which is an indicator about the true intrinsic value of the firm (Karolyi, 2001). Growing inflation, fluctuations in exchange rates, broad money supply and interest rate will increase volatility of stock returns leading to rise in risk and the investors may think of switching their investment to less risky portfolios like bonds.

The Nigerian economy has experienced significant changes in its macroeconomic aggregates in the recent past. The inception of the Structural Adjustment Programme (SAP) in 1986 came with fundamental economic reforms, a major aspect was the far-reaching liberalization of various sectors of the economy. Similarly, the transition from a military to civilian rule in 1999 witnessed various programmes of deregulation, privatization and commercialization, with implications for stock market returns.

While economic literature has been devoted to studies on relationship between stock market returns and real macroeconomic activities in developed economies like US and Japan, there are very few attempts at unraveling this linkage in developing economies such as Nigeria. The nature of the relationship between stock returns and macroeconomic variables may differ between developed and developing countries. Therefore, this study examined the relationship between some macroeconomic variables [money supply, inflation, exchange rate, interest rate and national income] and stock market returns and analyzes the empirical applicability of the APT to pricing the Nigerian Stock Exchange (NSE) in Nigeria. The study covers the period 1975 to 2013 and uses data for all quoted firms on the Nigerian Stock Exchange.

## **2. LITERATURE REVIEW**

Chen Roll and Ross (1986) investigated the sensitivity of macroeconomic to stock returns by hypothesizing and testing a set of macroeconomic data series to explain US stock return. They tested seven macroeconomic variables; term structure, industrial production, risk premium, inflation, market return, consumption and oil prices in the period of January 1952 – November 1984. They assume that the underlying variables are not serially correlated and all innovations are unexpected. Their research found several of these economic variables to be significant in explaining expected return. They found that consumption, oil prices and market index are not priced by financial market. They conclude that stock returns are exposed to systematic economic news that is priced by the market.

Rizwan and Khan (2007) further explained varying importance of domestic macroeconomic variables in explaining the relationship between stock returns and volatility in Karachi stock exchange. A decline in exchange rate uncertainty also enhances price transparency increasing the efficiency of price mechanisms at international level (De Grauwe, 2005; Schnabl, 2007). Lower transaction costs and greater price transparency also affect growth performance by increasing capital markets efficiency in capital allocation and by lowering risk premium and real interest rates (Dornbush, 2001).

In addition, if there are credit constraints, or if investment is irreversible, lower aggregate nominal exchange rate volatility is likely to translate into higher growth. Tursoy et al (2008) tested seven macroeconomic variables of Turkish economy. They separated into expected and unexpected series by a regression process then two step testing methodology is implemented on these series. The study covered 54 stocks for the period of January 1989 to July 1995. The result was beta coefficient of expected factors is found to be significant for asset return. Zhou (1996) found that interest rates have a significant impact on stock returns, but the hypothesis that expected stock returns move one-for-one with ex ante interest rate was rejected. His results show that long-term interest rate explains a major part of the variation in price-divided ratio.

He also proposed that the high volatility of the stock market is related to the high volatility of long-term bond yields which may be accounted for by hanging the future forecasts of discount rates. Campbell (1987) analysed the relationship between the yield spread and stock market returns instead of using either short-term or long-term interest rates. He argued that the same variable was used in predicting excess returns in the term structure also predicts excess stock returns. Deducing that a concurrent analysis of the returns on bills, bonds and stock should be beneficial. His results supported the effectiveness of the term structure of interest rates in predicting excess returns on the US stock market.

Gupta and Modice (2013), employing a predictive framework studied the relationship between the South African stock returns and movements in the macroeconomic variables in a modification of the arbitrage pricing theory. They found that a number of interest rates, money supply and oil production growth did have a significant impact on the evolution of stock returns in the Johannesburg stock exchange. Their out of sample results also showed that both the interest rates and money supply had some predictive power over short horizons while inflation showed a very strong ability to produce forecasts of the stock returns from 6 months and beyond.

Najand and Rahman (1991) use the GARCH model to examine the relationship between volatility of stock returns and volatility of macroeconomic variables for four countries, and find statistically significant positive coefficients for the monetary base. According to Brunner (1961) the changes in money supply results in the equilibrium position of money with regard to other asset in the portfolio of investors. Therefore a new equilibrium is reached through both adjustments of proportions of asset portfolios and changes in the prices of various assets. Aspremi (1989) approach to the relation between stock price and macroeconomic variables in ten European countries is providing relation of money supply to stock returns. According to Cooper (1974) Monetary portfolio theory suggests that changes in money supply alters the equilibrium position of money, thereby altering the composition and price of assets in an investor's portfolio additionally, change in money supply in real economic variables such as a decrease in money supply will raise short-term interest rate and decrease expenditures and capital investments thereby having a lagged influence on stock returns.

Spyridis et al (2012) also set out to validate the influence of macroeconomic factors on the movement of stock returns in the Athens Stock exchange (ASE). Applying a panel data, their findings revealed that some macroeconomic variables did have some influence on the evolution of stock returns over a twelve year period from 1989 to 2010. Recording R-squared values above 0.40 for the various factors tested. This finding led to the conclusion that macroeconomic factors had information which could be useful in predicting stock market returns. Gul and Khan (2013) applied the APT to data from 2000 to 2005 of the Karachi Stock Exchange (KSE-100) but concluded that the macroeconomic factors tested had no significant relationship with the index.

### 3. METHODOLOGY

#### A. Data Series

The study generated data from secondary sources. This includes the IMF Direction of Trade Statistics Yearbook and the Central bank of Nigeria Statistical Bulletin where data on volumes and values of Gross Domestic Product, foreign exchange rates, inflation rates and net capital flow was obtained; to measure the sensitivity to a number of macroeconomic factors. Data on stock indices was sourced from stock exchange quarterly publications and nominal figures were used for study. The data was tested for stationary or the order of integration of the data series using the augmented Dickey Fuller test. The data covers the second quarter of the year 2012 to the second quarter of the year 2014 giving the number of observations as 50.

#### B. Theoretical Framework

The methodology adopted by this study was anchored on Market Model. The model provides an underlying concept that supports the analysis of investment portfolios. It explains the realized returns by capturing a linear relationship with realized returns on the market.

The model is given as:

$$R_i = \alpha_i + \beta_i R_M + \varepsilon_i \dots\dots\dots (1)$$

Where  $R_i$  and  $R_M$  are the realized returns on share  $i$  and the market respectively.  $\alpha_i$  and  $\beta_i$  are constants.  $\varepsilon_i$  is a random variable uncorrelated with and having a distribution with zero expected value.

The Macroeconomic variables given by the vector,  $(F_1, F_2, \dots, F_k)$  of each security has  $k$  sensitivities  $(\beta_1, \beta_2, \dots, \beta_k)$  then, the  $K$  factor model takes the following form:

$$R_{it} = \alpha_{it} + \beta_{i1}F_{1t} + \beta_{i2}F_{2t} + \beta_{ik}F_{kt} + \varepsilon_{it} \dots\dots\dots (2)$$

When returns are generated by multi-factors, equation (1) is obtained. Since this equation is a straight-line, there will be a linear relationship between the expected returns and the sensitivities.

#### C. Model Specification and the Estimation Procedure

The relationship between stock returns and the macroeconomic variables are implicitly specified as follows:

$$R = f(\text{GDP}, \text{ER}, \text{INF}, \text{NCF}) \dots\dots\dots (3)$$

Where  $R$  is the market stock returns and the variables on the right hand side are the real Gross Domestic Product (GDP), real foreign exchange rate (ER), inflation (INF) and net capital flow (NCF).

$$R_t = \beta_0 + \beta_1 \text{LnGDP}_t + \beta_2 \text{LnER}_t + \beta_3 \text{LnINF}_t + \beta_4 \text{LnNCF}_t + \varepsilon_t \dots\dots\dots (4)$$

The effects of change in macroeconomic variables on stock returns volatility was investigated using Threshold Generalized Autoregressive Conditional Heteroscedasticity (TGARCH) model. Symmetric GARCH models would not have been appropriate since it cannot capture leverage effects. TGARCH model was estimated to capture the impact of news to macroeconomic variables on stock returns volatility. It was developed by Zakoian (1994) and Glosten et al (1993).

It explains the impact of news on volatility. The generalized version is given as:

$$\delta_t^2 = w + \alpha \delta_{t-1}^2 + \gamma d_{t-1} \varepsilon_{t-1}^2 + \beta \varepsilon_{t-1}^2 \dots \dots \dots (5)$$

$$d_{t-1} = \begin{cases} 1, & \text{if } \varepsilon_{t-1} \leq 0, \text{ bad news} \\ 0, & \text{if } \varepsilon_{t-1} \geq 0, \text{ good news} \end{cases} \dots \dots \dots (6)$$

$\gamma$  (Coefficient of the ARCH term) is the parameter which measure leverage effect or asymmetry. GARCH term coefficient ( $\alpha$ ) measures the forecast variance from last period.  $\alpha + \gamma$  measures the persistence of shocks to volatility which depends on  $\alpha + \gamma$  parameters such that  $\alpha + \gamma < 1$  imply a tendency for the volatility response to decay overtime,  $\alpha + \gamma = 1$  imply indefinite volatility persistence to shocks overtime, and  $\alpha + \gamma > 1$  imply increasing volatility persistence overtime. The presence of volatility persistence is a sign of market inefficiency. When  $\gamma$  is significant and positive, negative shocks have a larger effect on volatility ( $\delta_t^2$ ) than positive shocks (Carter, 2007; Evans et al, 2014).

Engle-Granger two-step method was used to establish long run relationship which is residual based approach determining co-integration among the variables. After establishing the existence of co-integration among variables, an Error Correction Model was estimated to test for the short and long-run dynamics. An error correction model was formulated by regressing the first differences of the dependent variable on the values of the first difference of the explanatory variables plus the lagged value of the ECM as shown in equation (6)

$$R_t = \beta_0 + \beta_1 \Delta \ln GDP_t + \beta_2 \Delta \ln ER_t + \beta_3 \Delta \ln INF_t + \beta_4 \Delta \ln NCF_t + \lambda ECM_{t-1} + \varepsilon_t \dots \dots \dots (6)$$

#### 4. PRESENTATION OF RESULT

##### A. The relationship between Macroeconomic Variables and Stock Returns

The relationship between the stock returns and the macroeconomic variables was established by estimating a regression equation. This requires regressing differenced value of stock returns on the first difference vales of log of Gross domestic Product, log of exchange rate, log of inflation and log of net capital flow. The results are presented in Table 1.

**Table 1: Determinants of Stock Returns (2012 - 2014)**

Variable	Coefficient Estimates	t-statistics	P-value
Differenced Log of Gross Domestic Product	0.03981	1.6324	0.113
Differenced log of Exchange Rate	-1.354***	-4.433	0.000
Differenced log of Inflation	0.0366	1.275	0.211
Differenced log of Net Capital Flow	0.5233	1.465	0.102
Error Correction Term	-0.761***	-4.943	0.000
Constant	0.013	0.341	0.656
Adj. R <sup>2</sup>	0.490	0.490	0.490
F-statistic			
Durbin Watson	1.932	1.932	1.932

\*\*\*P<0.01, \*\*P<0.05, \*P<0.1

It is evident from the table above that 49% of the variations in the value of stock returns were explained by GDP, Exchange rates, Inflation and Net Capital Flow. The F-statistic is significant ( $P < 0.01$ ) which shows that there was a relationship between the stock returns and the selected macroeconomic variables. The value of Durbin-Watson statistic is 1.9 hence, model is not susceptible to autocorrelation problem (since  $DW \approx 2.0$ ).

A percentage increase in depreciation of a domestic currency predicts stock returns to decrease by 1.3 percent. First difference values of log of inflation rate, log of Gross Domestic Product, log of Capital Flow show no effect on the first difference values of stock returns. The insignificant effect of these variables on stock returns may be attributable to the influence of other internal and external macroeconomic factors namely, budget deficits, balance of trade, changes in oil prices on the stock market return which were not captured in this study. The coefficient of the error correction term in the model is negative and statistically significant ( $P < 0.01$ ). The estimated coefficient value of -0.76 of error correction mechanism (ECM) suggests that the system corrected its previous period's disequilibrium from the long-run estimates by 76% quarterly. The high significance of the coefficient of ECM term supports the existence of a long-run equilibrium relationship between stock returns and the macroeconomic variables which influences it.

**Table 2. TGARCH Estimates for Gross Domestic Product and Stock returns Relationship**

Variable	Coefficient	z-statistics	p-value
Constant ( $w$ )	0.006	1.524	0.1730
GARCH Term ( $\alpha$ )	-0.058	0.114	0.4617
Leverage effect or ARCH Term ( $\gamma$ )	1.044**	2.096	0.0430

\*\*\* $P < 0.01$ , \*\* $P < 0.05$ , \* $P < 0.1$

The TGARCH results provide evidence that news impact is asymmetric since  $\gamma \neq 0$ . The coefficient of leverage effect  $\gamma$  is significant and positive ( $P < 0.05$ ) meaning that negative shocks had a larger effect on volatility ( $\delta_t^2$ ) than positive shocks. This is an indication that bad news increase volatility in the market implying that there is existence of leverage effect. The significance is also further evidence that bad news has a significant impact on stock return volatility than good news. Volatility persistence was absent since  $\alpha + \gamma$  is significant.

**Table 3. TGARCH Estimates for Exchange rate and Stock Returns Relationship**

Variable	Coefficient	z-statistics	p-value
Constant ( $w$ )	0.006	1.511	0.347
GARCH Term ( $\alpha$ )	-0.054	-0.335	0.435
Leverage effect or ARCH Term ( $\gamma$ )	1.914*	1.794	0.071

\*\*\* $P < 0.01$ , \*\* $P < 0.05$ , \* $P < 0.1$



Exchange rate  $\gamma$  was significant and positive ( $P < 0.1$ ) which lends credence to the presence of leverage effect. The significance of this coefficient implies that negative shocks (bad news) have a larger effect on the conditional variance (volatility) than positive shocks (good news) of the same magnitude. There was absence of volatility persistence as the value of  $\alpha + \gamma$  was not important.

**Table 4. TGARCH Estimates for Inflation rate and stock Returns Relationship**

Variable	Coefficient	z-statistics	p-value
Constant ( $w$ )	0.006	0.118	1.473
GARCH Term ( $\alpha$ )	-0.054	0.661	-0.392
Leverage effect or ARCH Term ( $\gamma$ )	0.890	0.043	2.022

\*\*\* $P < 0.01$ , \*\* $P < 0.05$ , \* $P < 0.1$

The effect  $\gamma \neq 0$  and significant which suggest the presence of leverage effects in the returns series and that bad news had a larger impact on stock return volatility. Also, being significant implies that these effects are more pronounced during the sample periods. Volatility persistence is not reported since its coefficient is insignificant.

## 5. SUMMARY, CONCLUSION AND POLICY IMPLICATION

### A. Summary

This study examined the relationships between the NSE stock returns and a set of macroeconomic variables during the period of January 2012 to June 2014. The time series data set employed in this study comprised the quarterly observations of the NSE, real Gross Domestic Product (GDP), real foreign exchange rate (ER), inflation (INF), net capital flow (NCF) and External reserve (ETR). Engle-Granger two-step method test was used to examine the existence of long run relationship among the variables. Error correction model was used to investigate the speed of adjustment of the co-integrating variables. Volatility of stock returns in response to changes in macroeconomic variables was traced by TGARCH model which was estimated in this study.

### B. Conclusion

There is a negative relationship between stock returns and the exchange rate. It is concluded that exchange rate affects stock returns. Other macroeconomic variables were not important in explaining stock returns. The effect of changes in macroeconomic variables on volatility of stock returns revealed that negative shocks (bad news) or negative news about changes in macroeconomic variables under study had a larger effect on the conditional variance (volatility) of stock returns than positive shocks (good news) of the same magnitude.

### C. Policy Implications

The government should put in place appropriate policy measures to ensure that the exchange rate is stabilized. This is because empirical evidence from study has shown that exchange rate affects stock returns. Depreciation in the exchange rate leads to a decline in returns and once the currency is stabilized, it will create investors' confidence. The government should seek to minimize fluctuations of the variables ; exchange rate, GDP growth and the interest rates through external reserve.

This is because empirical findings revealed that NSE is volatile which is as a result of fluctuations in macroeconomic variables.

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## Population Dynamics and Human Capital Development in Nigeria

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### ABSTRACT

Nigeria is a middle-income mixed economy and emerging market, with expanding manufacturing, financial service, communications, entertainment and technology sectors. Although growing at a lower rate than her population, it is ranked as the 27<sup>th</sup>- largest economy in the world in terms of nominal GDP and the 22<sup>nd</sup> largest in terms of purchasing power parity. However, there is no consensus in the literature on the effect of this growing population on human capital development. The study used annual time series data from 1980 to 2016 and adopted serial correlation technique. Using technology as a proxy for human capital development, the results indicate that there is a positive serial correlation between the duo and that population increases at an increasing rate while human capital formation increases at a reducing rate. However, there is no evidence of granger causality between the duo. The study concludes that policies should be tailored towards existing population productivity order than depopulation policy.

**Keywords:** Population structure, Economic growth, human capital and Dynamics

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### 1. INTRODUCTION

The Malthusian and neo-Malthusian traditions see population growth as a burden to development while for the neo-classical growth model, population is beneficial to an economy due to the belief that population growth is correlated to technological advancement and positive economic outcomes. These two theoretical approaches-neo- Malthusian and neo-Classical Growth Model- were researched in the situation of Nigeria. Population growth may translate to more human resources and greater capacity to produce and consume and ultimately provide employment through functional industrial base and economic growth against poverty (Olayinka Akanle, 2016). The overwhelming wave of population growth forecasted to dramatically alter the societal make-up of Nigeria in the coming half-century is a critical feature of the present day context despite the fact that it will take decades to manifest. As with all population dynamics, the opportunity for key stakeholders to change the current path of this heavy trend requires sustained investments to be made with immediate effect. There are only few studies of population dynamics and human capital development in the literature of demographic economics in recent years.

Particularly, concern has recently been expressed about the population and economic growth. It is against this background that this study seeks to express the potential human capital development effect of population dynamics in Nigeria. Against this background, this study intends to expand the frontiers of knowledge and break limits of theoretical insulations that have plagued contemporary discourse on population and development studies. The broad objective study of this is to examine the effect of population dynamics on economic growth in Nigeria. The specific objectives is to determine the effect of age structure on human capital development in Nigeria, to determine the effect of savings as a determinant for population transition on human capital development in Nigeria and to determine the short-run, adjustment mechanism of the relationship between population dynamics and human capital development in Nigeria.

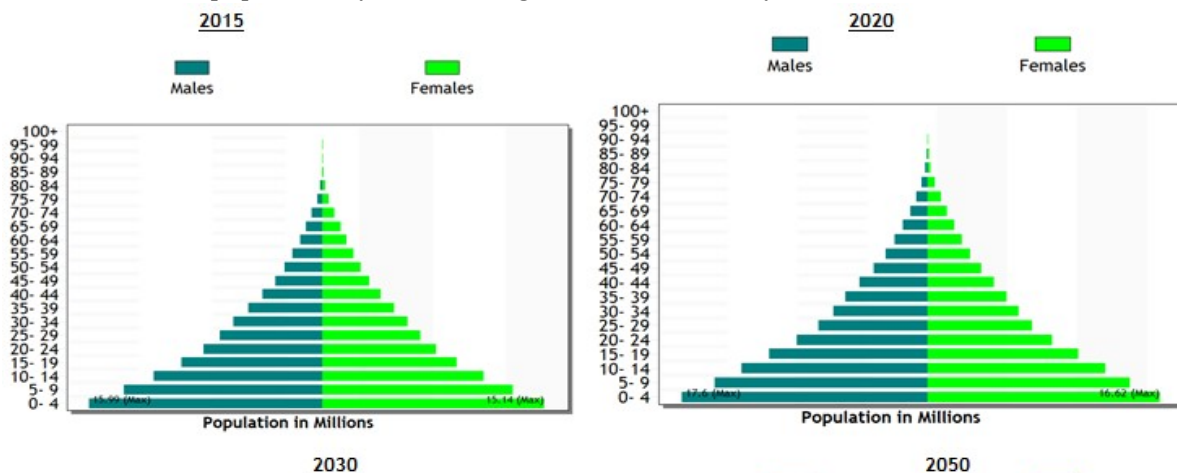
## 2. LITERATURE REVIEW

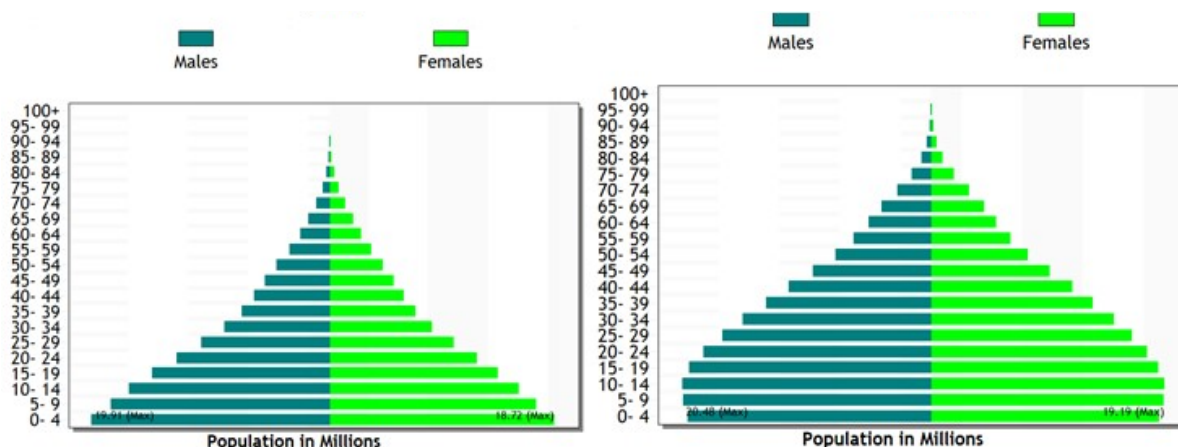
### 2.1 Demographic vulnerability

Demographic vulnerability, according to **ACF, 2016** is the degree and forms of vulnerability for a country or a region faced with its demographic evolution. More specifically, this term has been used to define the challenge multiplier that is population growth for developing countries. In a world of finite space and limited resources projected, population growth can imperil human and economic development, putting millions of people at greater risk for hunger, poverty and water scarcity. Population pressures are also contributing to environmental degradation and political instability. Demographic vulnerability, as it is defined, is confined to countries with rapidly growing populations.

#### 2.1.2 Population distribution in Nigeria

As Nigeria's total fertility rate is currently still over 5 children per woman, even with the assumption of a steady decline, it is still not expected to reach replacement level fertility by the end of 2030 (**United nations, 2016**) Persistently high fertility rates leads to high population growth. The population growth rate is reinforced by the demographic distribution of the population. In 2013, 70% of the population was under age 30 and about 46% of the over 176 million people were aged less than 15 years. This already represents that a very high proportion of the population is of childbearing age and this cohort will grow in the coming decade. Despite a forecasted reduction in the rate of increase the proportion of children/youth aged between 0 and 14 by the middle of the century the population of children and youth will still be quite a large cohort of Nigeria's total population, with 35.2% of the people under 15 by 2050. The Graphs that follows shows the population dynamics in Nigeria and forecast till year 2050.





**Source:** The International Futures (IFs) modeling system, version 7.14. Padree Center Denver University

### 2.1.3 Economic Development

Economic development is sometimes referred to as inclusive or broad-based growth. Growth is inclusive when it creates economic opportunities along with ensuring equal access to them. Economic Development, as the literal meaning of the two words connote, refers to both the pace and pattern of the economic growth (Nafziger, 2012).

There is no universal definition of economic development, but the term development is often used interchangeably with a suite of other terms, including “broad-based growth”, “shared growth”, and “pro-poor growth”. Economic development basically means making sure everyone is included in growth, regardless of their economic class, gender, sex, disability and religion (Lei et al., 2015). Growth is said to be of development dimension when the growth is to be sustainable in the long-run and it should be broad-based across the sectors and inclusive of the larger part of a country’s labour force. Emphasis on development, especially in terms of opportunity in terms of access to markets, resources, and unbiased regulatory environment, is an essential ingredient of successful growth (Alford, Simkins, Rembert & Hoyte, 2014).

Growth is inclusive and becomes economic development if it supports high levels of employment and rising wages (Mitchell, 2018). (Deaton, 2003), argued that economic development is both an outcome and a process. On one hand, it ensures that everyone can participate in the growth process, both in terms of decision making for organising the growth progression as well as in participating in the growth itself. On the other hand, it makes sure that everyone shares equitably the benefits of growth. (Ali, 2007) opined that the key elements in inclusive growth are employment and productivity, development in human capabilities and social safety nets and the targeted intervention (Fotourehchi, 2017) posited that economic development entails achieving sustainable growth that will create and expand economic opportunities and ensure broader access to these opportunities so that members of society can participate in and benefit from growth. Examples of government initiatives that can contribute to active inclusion are improving infrastructure, financial inclusion, health, education, technology and public service delivery.



#### **2.1.4 Human capital development: Full Employment is the key**

The World Bank estimates that 13.6 % of youth were unemployed in Nigeria in 2014 and to match the pace of population growth, Nigeria needs to create between 40 - 50 million additional jobs by 2030. To reduce poverty and promote more inclusive growth, these jobs need to be more productive and provide higher incomes than are available in 2016. The majority of adult Nigerians are underemployed; locked into low-productivity and low-income work, with no job or income security. Income levels are insufficient to escape poverty, or attain middle class status for their households. The public sector is still the largest employer of formal labor and with cuts to government expenditure due to falling oil prices, the new number of jobs in the public sector will decline. The private sector will have to lead the way for employment creation in Nigeria.

### **2.2 Theoretical Review**

#### **2.2.1 Malthusian Theory of population**

The Malthusian model is considered accurate in pre-industrial societies but fails to work correctly in industrialized environments. This line of thought originated from the question posed by Malthus (1803) as to whether food production could keep pace with the demand of a growing population and his answer that the power of population is indefinitely greater than the resources on earth to provide the needed subsistence for mankind. The debate triggered by the Malthusian hypothesis points to a lack of universal applicability of his paradigm because in industrialized countries, technological advances have spurred increases in agricultural production which ensures food security for the citizens.

#### **2.2.2 Solow Model**

Solow-Swan model is an economic model of long-run economic growth set within the framework of neo-classical economics. It attempts to explain long-run economic growth by looking at capital accumulation, labor or population growth, and increases in productivity, commonly referred to as technological progress. This model is an exogenous model of economic growth that analyzes changes in the level of output in an economy over time as a result of changes in the population pattern/demography. These enable businesses to identify product preferences. It has 3 basic sources namely: Labour (L), Capital (K) and Knowledge (K). Knowledge is used to augment Labour (AL), called effective labour. Generally, Solow model is used to predict economic development and is the only means to increase long-run living standard through technology.

#### **2.2.3 Empirical Review**

Onwuka (2008) empirically tested the association between population growth and economic development in Nigeria between 1980 and 2003 and found that growth in population outweighs that of output and this has hindered the capacity of successive governments to efficiently provide social services to the people, thereby negatively affecting development. He recommended that curbs on population growth through appropriate policies that would integrate the country's population programmers into the main stream development efforts are necessary.

Bloom, Finlay, Humair, Mason, Olaniyan and Soyibo (2010b) used a cross-country growth model to study prospects for economic growth in Nigeria from a demographic perspective. They estimated the size of the demographic dividend Nigeria could enjoy; how it might be increased by health and institutional improvements; and how it might affect poverty. Nwakeze and Omoju (2011) examined the effect of population growth on savings in Nigeria. Net national savings,  $s$ , must equal net investment,  $I$  (Todaro and Smith, 2009), therefore  $S = I$ . In order to grow, economics must save and invest a certain proportion of their GNP. The more they can save and invest, the faster they can grow (Todaro and smith, 2009).



Oladosu (2001) suggest that the prospects for fertility decline in Nigeria are bright. Trends in the use of contraception between 1990 and 1999 increased. The proportion of women who had births in the five years before survey declined. More women think that they have the same reproductive goals as their husband. These are favourable indicators for future decline. In addition, young women who work away from home are more likely to use contraception; they are more likely to not have had birth in the five years before data collection and are more likely to have the same desire for children as their husbands. Young women who married at later ages are likely not to have births in recent years (at the time of survey). In Nigeria, several studies have examined the relationship between population growth and economic development. The results generally indicate that population growth has positive, negative, or neutral effect on economic development. In order words, there is no empirical consensus yet on the effect of population growth on economic development in Nigeria.

Ogujiliba (2005) attempted to quantify and examine how changes in population dynamics affect household portfolio choices (expenditure on food, monetary transactions, goods and services and non-cash expenditure) in Nigeria given the fact that Nigeria is going through a demographic transition. Previous efforts to assess impacts of population growth have ignored the household expenditure response which has been far from being definitive on the transmission net effects on household portfolio choices. This study focuses on Nigeria with the aim of overcoming these defects and obtaining reliable information. The results suggest that population growth in Nigeria can produce significant effects on the economy via the expenditure profiles of households. The results also suggest that other factors such as real per capital income, ratio of other expenditure categories to total expenditure influence growth of household expenditure components.

#### **2.2.4 The gap in the Literature**

The research outlined in this paper has proceeded in this manner—non-physical capital is human capital. It is human capital that has the capability of producing physical capital or material asset. Therefore, population causal effect of economic growth has its inception from human capital development. Academics from different disciplines and different locations have simultaneously worked on similar themes, but used different datasets and different approaches to structure their work. Many have failed to inculcate or integrate the concept of human capital development.

Although few researchers like Ayinde and Egbetunde (2016) seeks to investigate if unemployment has been persistence and further examines the effect of population growth on the persistence level of unemployment in Nigeria by tracing the impacts that both portends for development outcomes in Nigeria for the period 1970-2012. using Auto-Regressive Distributed Lag (ARDL) Bound test for long-run impacts and equilibrium conditions. Their study shows that population growth does not play a role in the persistence of unemployment (hysteresis) in Nigeria. Results also show that age structure does not matter for development outcomes and that Nigeria is not yet undergoing demographic transition. Interestingly, the results further show that unemployment is a causal factor for population growth.

From the empirical standpoints, Imiosi, Olatunji and Ubi-Abai (2013); Inyang, Priskawetz, Kogel, Saunderson and Scherbov (2004) and Simon (2012) investigated the impact of population on the level of unemployment in least developed countries with focus on the Nigerian economy. Their study was completely devoid of any theoretical framework and technique of analysis suffered on the platter of descriptive analyses.

### 3. METHODOLOGY

The classical school model economic growth or output and argued that output is a function of labour and capital i.e.

$$Y = f(L, K) \quad (3.1)$$

The Solow (1956) allows for substitution between capital and labour. Solow's version of the neoclassical growth model includes residual technological progress as additional determinants of growth as:

$$Y = K(t)^\alpha (A(t)L(t))^{1-\alpha} \ell^{Vt} \quad (3.2)$$

Where  $Y$  is gross domestic product,  $K$  is the stock of capital (which may include human capital as well as physical capital),  $L$  is labour,  $A(t)$  represents the productivity of labour, which grows over time at an exogenous rate;  $t$  is time;  $\alpha$  is capital elasticity of output;  $1-\alpha$  is labour elasticity of output, and  $V$  is technological residual.

The Solow's neoclassical growth model further indicated that the growth of capital stock ( $g_K$ ) converges towards the growth of output ( $g_Y$ ) in the long-run as:

$$\frac{\dot{Y}}{Y}(t) = \frac{\dot{K}}{K}(t) = g_Y = g_K \quad (3.3)$$

Also, the technological progress grows over time at an exogenous rate,  $\lambda$  i.e.

$$\frac{\dot{A}}{A}(t) = \lambda \quad (3.4)$$

The labour force grows at the rate of population per year as:

$$\frac{\dot{L}}{L}(t) = n \quad (3.5)$$

However, for this purpose of this study, the equation (2) is augmented to incorporate other controlling variable  $X$ . Then, incorporating  $X$  into (2) as:

$$Y = K(t)^\alpha (A(t)L(t))^{1-\alpha} \ell^{Vt} X^\delta \quad (3.6)$$

The, taking the log of (3.6) and incorporates the growth rates of the factor inputs gives:

$$g_Y = \lambda + \alpha g_K + (1-\alpha)g_L + \delta g_X + v \quad (3.7)$$

$$g_Y(1-\alpha) = \lambda + (1-\alpha)g_L + \delta g_X + v \quad (3.8)$$

While further simplification gives:

$$g_Y = \frac{\lambda}{(1-\alpha)} + g_L + \frac{\delta}{(1-\alpha)} g_X + \frac{1}{(1-\alpha)} \nu \quad (3.9)$$

$$g_Y = \phi + n + \gamma g_X + \rho \nu \quad (3.10)$$

Where  $\phi = \frac{\lambda}{(1-\alpha)}$ ;  $\gamma = \frac{\delta}{(1-\alpha)}$ ; and  $\rho = \frac{1}{(1-\alpha)}$

The expression (3.10) indicates that growth rate of gross domestic product is dependent on population growth rate, technological progress, and growth of considered control variables.

### 3.1 Model Specification

The Solow's neoclassical growth model as expressed in equ. (3.2) is adapted for this study with further growth parameters adjustment. The labour efficiency is taken to grow at constant growth rate, while the technological progress is residual and exogenously determined within the neoclassical framework. Then,

$$g_{Y(t)} = \phi_0 + \pi_t + \gamma g_{X(t)} + u_t \quad (3.11)$$

The gross domestic product (GDP) growth rate is denoted by  $g_{Y(t)}$ ;  $n_t$  is population growth rate;  $u_t$  is the error and technological residual ( $\rho\nu$ ); and growth of the control variables.

### 3.2 Serial Corelation Test

Table below shows the result of serial correlation test between population growth and technological advancement in Nigeria between 1980 and 2017.

Pairwise Granger Causality Tests

Date: 04/13/19 Time: 09:42

Sample: 1980 2016

Lags: 2

Null Hypothesis:	Obs	Co-efficient	Prob.
POP	36	0.56666	0.6929
Tech		0.07205	0.0005

Result indicates some level of positive serial correlation, although population growth is seen to increase at an increasing rate while technology increases at a decreasing rate.

### 3.3 Granger-Causalty Test

The test result in table below is for the granger-causality between technological advancement and considered explanatory variables [population growth rate growth rate (POP) in Nigeria between 1980 and 2017. The results presented on table below indicated that null hypotheses "POP does not Granger Cause Technological advancement" are rejected at 5% significance level.

### 3.4 Granger Causality Test Results

Pairwise Granger Causality Tests

Date: 04/13/19 Time: 09:47

Sample: 1980 2016

Lags: 2

Null Hypothesis:	Obs	F-Statistic	Prob.
POP does not Granger Cause Tech	36	10.3370	0.0005
Tech does not Granger Cause POP		0.37205	0.6929

### 4. CONCLUSION

This study critically assessed the economic relationship between population dynamics and human capital development in Nigeria between 1980 and 2016 by taking a look at its relationship level. The results indicate that population increases at an increasing rate while human capital formation increases at a reducing rate. The study concludes that policies should be tailored towards existing population productivity order than depopulation policy since population boom is able to increase human capital development given an appropriate policy formulation and development planning.

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## Human Ritual Killings in Nigeria: Myth or Reality

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### ABSTRACT

Ritual killings is as old as human existence and it is a reoccurring decimal in most parts of the world despite various warnings and capital punishments melted on the offenders. The act seems to re-occur from every quarter of the world but more pronounced in developing countries such as Nigeria, Ghana, South Africa, Lesotho, Liberia and India among others. The trending patterns in ritual killings is worrisome to researchers and degenerated to civil unrest, psychological trauma, loss of trust for one another and poor economic development. Several publications and theories (Anomie, Rational Choice and Structural functionalist) were adopted the justification of the inquiry. Content analysis methods of reviewing publications was adopted. It is concluded that the essence of indulging in ritual killings is subjected to sociological interpretations ranging from cultural, political, economic, religious and psychological undertones which remain aberration to human and societal development. Therefore, measures such as effective community communication and partnership must be established, The Nigerian Police must be transparent in their mode of operation in terms of dealing with ritualists, community members must contribute towards community policing. Finally ritualist must purged themselves from preconceived notions behind killings in Nigeria

**Keywords** – Ritualism, Killings, Reality, Myth, Development, Nigeria

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### 1. INTRODUCTION

Ritual killing as a concept is an endemic and epidemic societal problem re-emerging in the 21<sup>st</sup> Century as a result of man's insatiable quest for power, positions and material things (Niehaus, 2011, Houser, 2017), Ritual killings is a global debatable issues that needs global urgent attention and intervention because the incidence is increasing on daily basis and there seems to be complete silence concerning the menace in different sectors of the society among the academia, researcher, State policy makers etc. This is because cases of mutilation, murdered or sacrificing human being for ritual purpose across the region is still considered as unreported; underreported while several reported cases of ritual killings in several publications daily lack scientific proves for justification of the menace. (Aborisade, 2016). Studies have shown that ritual killings cases are reported frequently in countries like Nigeria, Tanzania, Uganda, Zimbabwe, Namibia, Ghana, Botswana, Lesotho, Liberia, South Africa Swaziland among others.

The argument of the Scholars deciphers that there is bi-polar opinions on the meaning, occurrences and explanation of the concept (Human Ritual Sacrifice). According to Ranger (2007) ritual killing is a myth that needs to be studied in their own particularity while Murray and Sander, (2007) argued that ritual murder is more subjective in interpretation from a realist positions because human parts are needed for specific or Scientific purposes, Charms renewal, business fortune, community cleansing among others. Likewise, Hornby (2012) refers to ritual killing is act of killing of animal or persons in order to propitiate a deity.

In addition Igwe (2012) avers that ritual killing is a sacred practice found in different occult religions including African traditional religion in the sacred. He stressed that ritual perpetrators hunt for and harvest human body parts to prepares charms that are believed to work mystically for different purposes including acquisition of power to manipulate events that results in harms, healing, protection, knowledge, initiation, self-dedication, transformation, and enhancing fortune in businesses and political results Finally, Jean and Camaroffs, (2006) referred to ritual killings as a set of practice or practical techniques deployed by those with the necessary power and knowledge to derived material ends and other purposes.

In the past two decade Nigerians had experienced a continuous trend in ritual killing all over the six geo-political zones. This is because some communities, individuals and African priests still patronised and encouraged human ritual sacrifice for the purpose of spiritual cleansing of the community from demonic attacks which may harmful and negate societal orderliness Frederick (2010) supported and stressed that in African society, revivalists and African priests are the main source used to carry out ritual killing for sacrifices.

This is because many cases of ritual killings take place in secret locations but most of the African herbalists that are apprehended by law are not properly investigated, underreported and perpetrators usually escape punishment which equally leads to prevalence of emerging ritual killings in Nigeria (Yahoo-Yahoo ritual killings). In as much the law sometimes may be blind to the scene because of lack of scientific connectivity between the dead and the living, therefore the perpetrators and their collaborators will continue to capitalise on the lapses of the State laws in actualizing their barbaric motives.

All over the world, the prevalence of ritual killings cannot just be ignore because those that are affected are unhappy and profoundly worried because of unidentified nature of death that claims the lives of their relatives, families, children, husbands and wives within and outside of their community. In Nigeria, the perceptions of the people towards the interpretation of human ritual killings need to be properly looked into to understand how to fight the menace. Thus, if proper academic research inquiries are not conducted to address human ritual killings in Nigeria, it may jeopardise and hamper developmental process of the country leading to civil unrest, psychological trauma, retrogressive economic development, bad international image and fear of the unknown among the citizens.

### **1.1 Research Questions**

- 1) What are the predicting factors that leads to Human Ritual Murder in Nigeria
- 2) Is human ritual murder a myths or reality in Nigeria?
- 3) What is the position of Legal Framework or System concerning human ritual sacrifice in Nigeria.



## 2. LITERATURE REVIEW

The occurrence of Ritual killings in Nigeria is worrisome and negates human development conditions in all spheres of lives. In Nigeria, the prevalence of ritual killings cannot be underrated because many families, groups, children and the entire citizens are affected but the state of law in Nigeria concerning the issues (ritual killings) as derogatory to human development projects (Usma, 2017). He stressed further that all the activities, plan and strategies put in place by the State security apparatus to fight the menace proved to be insufficient and constitutional laws or judiciary system all over the world recognizes evidence or scientific prove before cases can be treated or properly investigated. However, anything in law that cannot be proved must be discarded so avoid errors of oversight or commission. This dictates of laws in Nigeria stands as cankerworm that negates growth and development on ritual killings in the country (Nigeria). This is because the affected families are faced with severe psychological trauma due to the fact that they lost their relatives to the ritual killings or unknown deaths that rendered some of the parts of the corpse missing.

### 2.1 Theoretical Framework

The importance of theory application for the justification of any inquiry cannot be overlooked because theory is one of the key concepts used as a logically interdependent concept of empirical reference. For Olurode and Oyefara (2010), theory is a body of tested facts which can be employed for explaining, describing, analyzing and predicting outcome of an inquiry or situation under study.. Robert King Merton (1968) propounded Anomic theory which is different from Durkheim's in 1893. According to Merton anomic situation occurs because of problem created by unequal distribution of the societal resources. He maintains that lack of integration between what the culture calls for and what the structure permits that causes deviant or criminal behavior. He explains that certain goals are strongly emphasized by society as legitimate means of reaching societal goals education, hard work, gainful employment, etc). But different means of reaching the goal may leads to antisocial behaviour or criminal tendency. This is because it is not all the members of the society that will enjoy equal access to the legitimate means to attain those goals. The stage then is set for anomic situation (Ritzer, 2012).

However, when anomic situation arises, the approved means to reach the goals become limited and inaccessible to some certain groups in society, at the point when the goals are applicable as equal to all. This situation will affect the poor and the unemployed class who are from the lower social class and minorities. For example the disadvantage and marginalization set by the societal deviation will gather momentum of harmful opportunities which will negate societal development. In Nigeria, evidence from various department of the country deciphers that there are several legitimate and illegitimate avenues to success. However, any individuals caught in these anomic conditions are then faced with the strain of being unable to reconcile their aspirations with their limited opportunities. Merton presents five modes of adapting to strain caused by the restricted access to socially approved goals and means. He did not mean that everyone who was denied access to society's goals became deviant. Rather the response, or modes of adaptation, depends on the individual's attitudes towards cultural goals and the institutional means to attain them.

These five modes include the following:

1. The conformist is the most common mode of adaptation. Such individuals accept both the goals as well as the prescribed means for achieving the goal.
2. Innovators: They accept societal goals but have few legitimate means to achieve those goals. Thus, they innovate (design) their own means to get ahead. The means design may negate development leading to Ritual killing for personal, religious tenets or community reasons, robbery, embezzlement, prostitution or other such criminal acts.

3. Ritualism: The third adaptation abandons the goals and but believed in the means of reaching the goals. They play by the rules and have a daily, safe routine.
4. Retreatism: The fourth adaptation is by those who give up not only the goals but also the means. They retreat against the societal goals and means of making it. Examples of this group are psychopathic patients, aged, children, alcohol and drug addiction
5. Rebellion: The fifth adaptation is anchored on the rebel, They reject social goals and design another alternative to replace the goal more so, they reject societal means of achieving goals and design another alternative means towards achieving the goals

In Nigeria, there are many young and old people who indulged in ritual killings for material ends due to the fact that the society represses them and forced them to venture into anomic situation in order to satisfy their material needs. The act of ritual killings in Nigeria is increasing because the ways and manners by which the laws or law makers in Nigeria addresses the issues in the country is not encouraging. This is because law needs evidence before judgment can be passed on but ritual killings are not mainly carried out in open places but in a secret environment. The anomic situations has grown to the stage that people are not having trust in the modus of operand or working conditions of the state security apparatus because once the case of ritualism is reported they ways and manners for the judging the case may back fire or turn out to against the people who reported the case to the Nigerian Police In relation to the study, ritual killing for economic or material ends serves as a means of survival regardless of the sanction associated with the acts. Ritual killing is a criminal act negating human and societal developmental process of any country faced with the menace.

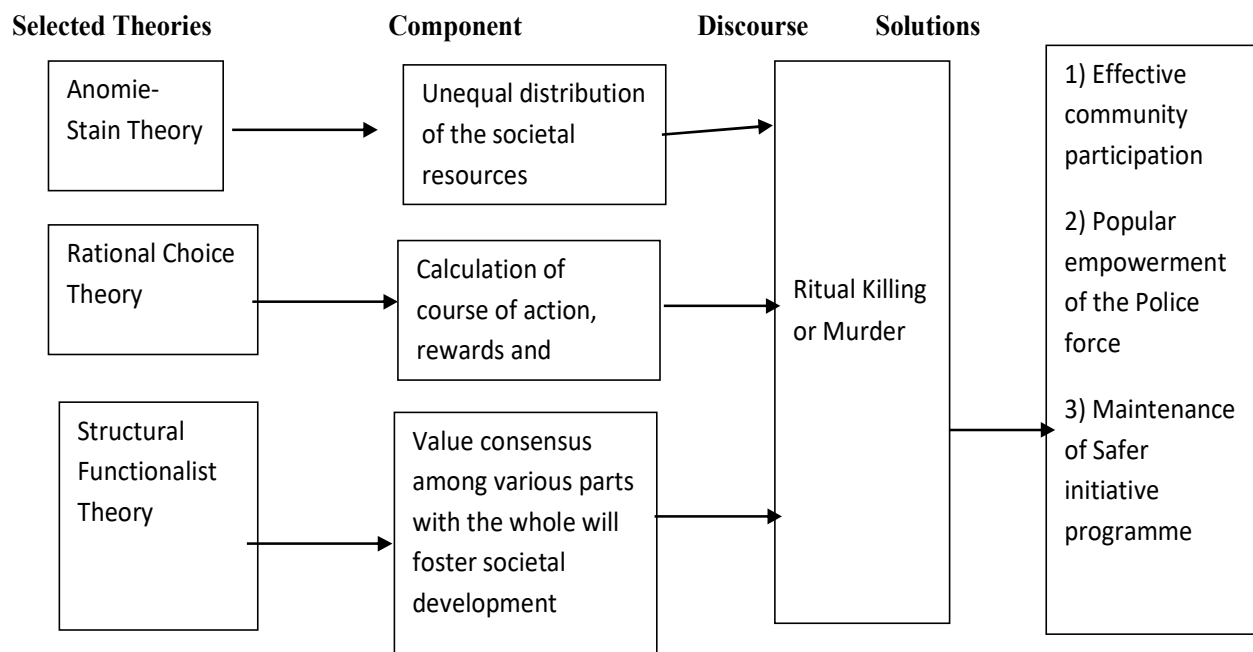
Rational Choice theory by James Coleman (1990) was an extension of exchange theory by Herbert Blummer and George Herbert Mead. The major argument put forward by Coleman is that people (individuals or groups are rational thinkers) that possess potential power to examine and make calculations of various alternatives of actions open to them (Ritzer, 2012). Coleman emphasized that the major arguments of the rational choice is as follows

- a) Human beings are rational animals with higher spirits of mathematical expression
- b) People examine and make calculations about the various alternative actions open to them.
- c) They compare the rewards with sanctions or punishment associated with each course of action.
- d) They also calculate the likelihood that they actively will receive the rewards.
- e) Highly valued rewards will be devalued if the actors think it unlikely that they will obtain the rewards.
- f) In contrast, lesser valued rewards will be enhanced if they are seen as highly obtainable.

The rational choice theorists explains that interpret action based on their perceptions of the probability of success to the actions and reward system associated with the action or activity In relation to the inquiry, most people that indulged in ritual killings or murder in Nigeria make calculation concerning the rewards opportunities or sanction/punishment associated with the actions before making decisions on whether to engage in the action or not. Most of them compare what they will derive from indulging in the actions (ritual killings) and make calculation about the rewards and state sanction or positions of the Nigerian state laws concerning ritual killings before they embark on the actions. If the reward associated with ritual killings for material ends, success, business fortune or retaining a political positions is more attractive than the sanctions or punishment associated with the ritual killings for any means, then ritual killers will fully engaged in ritual killings but if the Nigerian laws frail at the act of ritual killings for materials ends or success are totally combated stating zero tolerance for ritual killings in Nigerian by settings examples for ritual killers in our country them most the ritual killers will disengaged in the act of ritual killing

Structural functionalist theory propounded by Talcott Parsons was adopted to explain how value consensus among various segment of the State can lead to problem solving indicators to the menace of ritual killing in Nigeria. Thus, Parsons opines that mutual or value relationship that occurs between all the societal parts will form the bases of achieving societal development. In relation to the inquiry the collaborative efforts of the Societal members is needed in the fights against the menace of ritual killings in Nigeria since the ritualist are not spirit being they are normal human beings that resides in our community. Therefore, suspected human beings, groups, hideout, abandon buildings or places should be reported to the State security apparatus for immediate investigation to reduce or eradicate the menace associated with the conducts.

**Figure 1-** This figure simply explains the conceptual framework adopted in order to logically, independently and conceptually demonstrate the relationship between variables adopted with the theoretical orientation adopted for explaining the outcome of the research inquiry.



**Fig. 1: Conceptual Framework Adopted**

### 3. METHODOLOGY APPROACH TO THE STUDY

The method adopted is Content systematic method of reviewing secondary data for justifying the outcome of the inquiry. Peer reviewed literatures on Ritual killings in Nigeria and other parts of the world were the main source of information and data collected for the study. In addition, the research inquiry adopted a structured approach to determine the source of materials for the review. Several searched engines were consulted for peer reviewed publications to include journal, articles, textbooks, newspapers and magazines among others from Online Library of Chrisland University which granted access to the following database Social Science Abstract, JSTOR, Sociological Abstract, Scholarly Google among others as researched area.

**Table 1 - The table below shows that search publications adopted from the justification of the inquiry through the use of secondary form of data collection in a scientific form**

SN	DATABASE SEARCH	TERMONOLOGY IN ABSTRACT	ARTICLES SELECTED	REMARKS
1	JSTOR 2005-2010	Ritual killings in Africa Continent and Nigeria	6	Peer Reviewed
2	PsycloINFO<2005-2018	Causes of Ritual killings	4	Peer Reviewed
3	Sociological Abstract 2005-2017	Derogatory consequences of ritual killings	4	Peer Reviewed
4	Social; Science Abstract 2005-2017	Comparative analysis of Ritual killings	7	Peer Reviewed
5	Scholarly Google 2005-2017	Ritual killing; possible way out	9	Peer Reviewed
6	Newspapers 2017-2018	Cases of Ritual killings in Nigeria	10	-
7	Magazines 2017-2019	The purpose of Human Ritual sacrifice in Nigeria	6	-

In the process of selecting the publications, key criteria were used in the decision tree for selecting articles. Inclusion/exclusion criteria in the literature review were scientifically monitored based on the location and quality of peer review data starting from the abstracts of all the peer reviewed publications down to the entire documents. If abstract is missing to determine the strength and the weakness of the publications, it is then discarded as excluded criteria from the publications that will be reviewed. However, a highly peer reviewed works is selected as an inclusion criteria. Most of the included publications selected for review were from a highly indexed publication with high impact factor.

#### 4. DISCUSSION OF FINDING

The first discussion of finding is derived from the first research question which strives to know the predicting factors that led to Human Ritual Murder in Nigeria. It is discover that there are several reasons that can be attributed to the incidence, occurrence and prevalence of human ritual sacrifice in Nigeria, For example, Bloom (2012), Temitayo et al (2014) and City Press (2006) avers that human ritual killing is rooted to religious immorality because there is no religious practices that does not have its followers and ritual tenets to be observed during and after the practice or ritual requirements. In another dimension scholars such as Pandey (2015) Igwe, (2012) (Niehaus (2011), Meyers & Rels (2003) lamented that human ritual killing occurs when individual's uses another human being to renew his or her charms for active performance which may later fortify their spiritual enhancement, fortune in businesses and political position during election, expression of sexuality, protection from diseases, poverty, accident, death or destruction

To buttress diversity in the predicting factors for the re-emerging incidence of human ritual sacrifice, Niccodemus (2006) and Ngubane (1986) are of another dimension validating that human ritual killings arise as a result of mutual agreement among the community members to seek for peace, unity and harmony in their community and also reducing misfortune that can or have befallen the communal spirits. The outcome of the reviews of relevant publications validate the opinion of the scholars of the past and present that avers that human ritual sacrifice is associated with multiple dimension in term of causes or factors that predisposed the menace in Nigeria. In addition while some scholars believed and argued the causes of human ritual killing from community cleansing from demonic perspective others observed it from business fortune and some narrow it down to increasing power, position, privilege and other economic reasons in Nigeria. To corroborate the findings the table below shows the following empirical data derived from several publications daily in different locations.

**Table 2-** the table below shows the reviews of data gathered from several publications for supporting the empirical and documentation analysis concerning the victims, perpetrators and the causes and consequences associated with the menace.

**Table 2: Reviews of Data gathered from Several Publications**

SN	Perpetrator	Causes()	Case	Consequences	Date
1	Nepalese Man	A local holy man advices a man that a human sacrifice will heal his ailing son. He also burnt some in cease and recited mantras after killing the boy	He confessed that they murdered a boy in replace of his son ailment	The man was apprehended by law	2012
2	An Indian couple	The couple kidnapped and scarified a child to have their own child	They confessed that a guru advices them to sacrifice the child to the banks of the rivers in order to deliver a child	The couple were apprehended but the kidnapped child was already offered for scarify	2008
3	Two farmers in Indian	The two Indian farmer kidnapped a 7 year old girl and dismembered as sacrifice for better harvest	The girl was killed and her liver was removed for a ritual sacrifice	The suspects were apprehended and sentence to jail	In October, 2011
4	A family in Lesotho were murdered by the villagers	The family were murdered because they wanted to inherit their property	They are accuse of killing some children in village or involving in body parts business for maintenance of fortune	The villagers involved in the joint murder were arrested for legal prosecution	In May 2009 Lesotho Times (2009)

SN	Perpetrator	Causes()	Case	Consequences	Date
4	A boy and girl friend were kidnapped	They were dragged into the bush where they cut some of the needed body parts for ritual sacrifice	The gang were send to cut human parts for ritual purposes	The group were not found but the dead parts were found incomplete at the part of the community	IN March, 2005 Limpopo Province
5	A tuberculosis persons was murdered	The man was said to be kidnapped away from the sick bed in the hospital and later found dead in Doctors quarter	A medical experts was paid to kidnap a patient with illness in the hospital	He was apprehended and legally taking to the court to face the consequences associated with the act	In May 1999 in Limpopo Province
6	A young boy age 6 was murdered	The boy was murdered because ritual sacrifice	The villagers was accuse of using the boy for community cleansing	The Doctor was tried by law but the punishment was not detailed	In August 1990 in Urban Soweto
7	A man was killed by his grandson	The purpose of killing is as a result of inheritance mainly property	The man was accuse for witchcraft	The grandson was later apprehended for constitutional verdicts in court	In November, 2010 Lesotho Time,(2010)
8	A bricklayer in Bangladesh	The bricklayer discovered that were losing their sought-after reddish hue	The bricklayer consulted a fortune tellers and he advice them to use human sacrifice. The owner of the industry ordered three out of the four workers to kill one of co-workers for ritual sacrifice.	They were all tried by the law	In March, 2011

The second research question intends to find out whether the knowledge of human ritual murder is a myths or reality in Nigeria. The answer to the discussion can be traced back to two different schools of thoughts (Positive and Interpretative). The Positive School of thought is championed by Karl Popper.



According to Popper, the knowledge of human ritual killings is a myth because of the following fundamental questions raised to support the argument of knowledge

- a) Where is the ritual money from? (Is it from the skull or the house of the victim of ritual or from the Banks or Financial Institutions)
- b) Who signed the currency or legal tender spent by the ritualist?
- c) Has the Central Banks or others financial institutions or Banks complains of missing money in the strong rooms due to human ritual sacrifice of killings in the country?
- d) Is there any logical linkage between the living and the dead in terms of monetary issues?

To buttress the support of the Positivist based on the bi-polar debate between explaining human ritual killing from myth or reality perspectives Ranger (2007) opines that human ritual killing is a myth that needs to be studied in their own particularity. But several scholars argued that human ritual sacrifice or murder is a realistic knowledge and its consequence is dehumanizing to human and societal development. Ukoji (2016) supported the school of Karl Marx that argued that it is not all knowledge that is based on scientific principles but they still form body of knowledge For example Ukoji (2016) laments that human ritual killings in Nigeria produced the highest number of fatalities more than any crime in the country between 2013-2015.

Likewise, Usman (2017) avers that the Commissioner of Nigeria Police Force described the modus of operandi of the group (Ritual Killers) with the following activities

- a) Ritual Murders sudden storm into the resident of the people at the dead hours of the night
- b) They (Ritual killers) established a bilateral relationship with the people that needs their services especially those that needs human body or blood for ritual sacrifice
- c) Sometime they acts like a madman or women on the streets or in any community in order to carry out their plans
- d) They plan their ways so that they will not be apprehended and sometimes when they are arrested some people in the position of authority might end up setting them free from the view point of being a lunatic individuals in the society

The result gathered from various publications explains that human ritual killings is real Empirical cases reported in several publications daily in different zones deciphers that human ritual killings in Nigeria is real and is an un going re-emerging criminal activities in the 21<sup>st</sup> century in Nigeria that needs proper attention and intervention The third research question is centered on the position of Legal Framework or System concerning human ritual sacrifice in Nigeria because if ritualism persists in any society it will leads to sudden death which is an aberration.

More so, the act (Ritual Murder) is distasteful and unjustifiable indicators of underdevelopment in the mainstream of social analysis or to questions whether such things really happens or not. In Nigeria the table below decipher various hotspot that are dangerous for people to used as waiting locations for any purpose

**Table 3- Decipher different hideout places or hotspot environment where ritual activities in Nigeria**

SN	Ritual killing spot or Places	State where they are located
1	Ota	Ogun State
2	Lambe	Ogun State
3	Ikorodu	Lagos
4	Mowe	Ogun SDtate
5	The Bridge linking Adiola Garden with Otrdola Estate	Lagos State
6	Isheri	Lagos State
7	Toyota Bus Stop in Apapa, Oshodi	Lagos State
8	Waterfront in River Niger. Onitsha	Anambra
9	IsialaNgwa	Abia State
10	Igwurita, muruokoro in Port Harcour	River State
11	Ilorin Oro Road	Kwara State
12	Kaduna Eastern By Pass,	Kaduna State
13	Kaduna/Abuja Expressway	Kaduna State
14	Abuja Motor park in Kaduna	Kaduna State
15	Railway Track in Among Others	Kaduna State

The Nigerian legal system is still blind concerning the knowledge of human ritual sacrifice once the perpetrators are nor empirically arrested at the spot of the scene The Nigerian law or constitutions is fashioned behind documentation of empirical analysis, but the menace associated with human ritual sacrifice is an aberration to human development. For example, Ranger (2007) validated the claim when he avers that ritual killings should be considered as an experience of evil which are not limited to developing continent alone, therefore, wider perspectives should be design in line with solving the antisocial cultural practices or heritage in our societies. More so, the Official Estimate of ritual killings 1992-1996 in Nigeria was summed at 6,000 cases of ritual murder (Harnischfeger, 2006). This result shows that despite the fact that human ritual killings is as old as human existence the Nigeria legal frameworks or institutions are still blind concerning the knowledge of human ritual murder without empirical proves

The view of the classical philosopher is embedded on how social order as a function of social development can be made possible through the aids of mutual consensus among the societal member (Paranjape, 2011, Ninalowo, 2010, Soyombo and Oyekanmi, 2015, Ritzer, 2012, Haralambos and Holborn, 2013). In line with the fundamental principles of social order, it is structured that the State Government at all levels (Federal, State and Local Government Levels) should provides security measure to enhance the lives and properties of the citizens while the citizens are to pay tax and constantly obeys national calls or services for mutual peaceful co-existence. The current issue relating with ritual murder in the country shows that Nigerian government had failed to lift up to her historical and constitutional responsibility. Thus this has resulted to loss of hope and demarcation between what ought to be and what is obtainable or real in the country

## 5. CONCLUSION

The understanding of this theoretical analysis of the topic under consideration is of great significance to the individuals, families, groups, State government at all levels (Federal, State and Local Government), non-governmental organizations and the entire community members. This is because there is a proper and adequate needs for proper research into the topic of interest under titled human ritual killings in Nigeria; A Myths or reality. Publications reviewed shows that there are several reasons for explaining the purpose of indulging in ritual killings in Nigeria. For some people human ritual sacrifice is as a result of community cleansing, while others opines that human ritual killings as a result of access to gain political status and power. In addition is for promoting business growth, development and riches.. Evidence has shown that ritual killers are full of self-interest rather than supporting the growth and development of general interest of the society/

Scholars are of bi-polar demarcation concerning the debate of human ritual sacrifice because few of the perpetrators are of the view that ritual killing is a myths that lack scientific proves and evidence while others argued that ritual killings can be proved in the realistic states with clear evidence from people that are arrested and detained by the States Security Apparatus. This is because families of the victim of ritual sometime discovered the dead body of their family declared missing with incomplete parts or some of the vital parts of the victims of ritual killing may be missing at the end of the discovery. Although theories of the past and present have strive to explain the causes of ritual murder where factors such as religious believers and tenet of the people compel some to engaged in ritual murder, other factors include wealth and fortune acquisition, some are for political power, prestige, popularity, scientific reasons among other. In addition, some engaged in ritual killing for their personal spiritual blessings while others are for cleansing illness or birth purposes

The position of Nigerian law concerning the situation of ritual killings needs serious attention so that the act of securing lives and properties of Nigerians will not be relegated to the background. Thus, the historical and constitutional reasons for the establishment of the Nigeria are to provide ameliorative incentive for the uses of the masses through provision of security to lives and properties in the country. But most constitutional laws enacted are blind to the knowledge of interpretative school of thought that argued that ritual killings can be proved to be scientific when the perpetrators where arrested on the scene. But if the case is otherwise it will be treated as knowledge that lack scientific base, principles and proves

## 6. RECOMMENDATIONS

- 1) The law guiding the ritualist in Nigeria and all over the world must be revisited because the interest of the poor and the disadvantages members in the society to also include the less privilege people must be protected
- 2) The security operatives handling ritual killing cases must be transparent in their modus operandi
- 3) The introduction of social security numbers to all Nigerian will help to determine the rate at which people or individual miss in the society
- 4) The pro-surveillance technique such as the use of circuit cable satellite television (CCTV Camera) in Nigeria will help to determine the hideout of the ritualist or deter them from carrying out their dark business in the country
- 5) The people who know there hideout should always whistles blow the hideout to the public hearing
- 6) The concept of community policing should be adopted and supported in all angle of states in the country so as to fight against the menace because the security operatives cannot do it alone.

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