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Supervision: A Panacea to Effective Teaching and Learning of Business Education in Tertiary Institutions

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Abstract
This paper examines the concepts of supervision, effective teaching, and learning as they relate to social studies in tertiary institution. The paper also identified the various problems of supervision in Nigerian schools while the likely supervisory techniques for enhancing effective teaching and learning of social studies in tertiary institutions were highlighted. It was found that the level of supervision for effective teaching and learning of social studies in tertiary institutions was low as a result of some problems. The problems include, poor incentive for the supervisors, poor communication in supervision, lack of pre-professional training for supervisors, constant changes in educational policy and curriculum and inadequate funding, in referee to find solutions to the problems and to improve teaching and learning in social studies, it was recommended that tertiary institutions through the government, should provide adequate human and material resources, staff development programs, training package to incorporate the identified communication skills that supervisors were different in and funds.
Keywords: Supervision, effective teaching and learning, social studies tertiary institutions, supervisory techniques.

Introduction

Supervision of instruction has undergone a process of evolution since the colonial time. In the 18th century supervision was characterized by inspection for control and laymen carried out this. It was a common practice that once an educator becomes a supervisor of instruction; he was referred to as inspector. The impression people had about supervision during this time was that the supervisor was responsible for making judgement about the teacher and not helping the teacher on how to teach in order to make the students learn well. The supervisor's recommendation to replace a teacher was carried out immediately! Supervision is previewed today as the aspect of teaching which is concerned with improvement of instructional effectiveness.

However, according to Frederick (200), the function of the supervisor is to help the worker to find himself, to discover his own best way of doing whatever has to be done. Therefore, supervision must be sympathetic-working, thinking, feeling, with the person supervised. The supervisor should be enthusiastic- should radiate success in every motion and word- though not at all in the spirit of self-display, wholly to set an example and to encourage. The discouraged workers must be done to destroy self-respect, wholly to set an example and to cutting remarks must be reserved for the careless or supercilious worker. But the supervisor must have compelling power-something in him to make the corps of workers feel that their assignments are of tremendous importance.

According to FRN (2004) "Education in Nigeria has witnessed communities, and individuals as well as government intervention" Based on this, the government has adopted education as an instrument per excellence for effective national development and subsequently, launched the Universal Basic Education (UBE) in 1999. The introduction of UBE resulted in an up-surge of students' population in the primary schools. The unexpected increase in primary school enrolment led to a subsequent increase in secondary school and tertiary institution enrolment which created the

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problem of providing well trained and qualified staff to meet the new demands and answering the crucial question of how to make suitable facilities available and ensure standards. In an attempt to improve the quality of teaching and learning in school, ministry officials called "inspectors" and head of departments were appointed to inspect the work of teachers and lecturers respectively and to know whether or not teachers/lecturers were doing what they were supposed to do.

Assessing the effectiveness of teaching and learning of social studies in tertiary institutions demand effective supervision. As Mobity cited in Arogundade (2009) says, "supervision is the 'nervous system' of any organization."

Supervision is seen today as that dimension of the teaching profession which is concerned with the improvement of instructional effectiveness. In view of this, the two main types of supervision are: internal/school-based/in-built supervision and external supervision. Cogan cited in Ezeamolue (1989) regarded the school-based supervision as clinical supervision which is focused upon the improvement of teacher'/lecturer/ classroom instruction. This is the type of supervision carried out by the internal supervisor in the school such as the school heads, their assistants or the head of departments. It is also referred to as within-the-school supervision. The external supervision is the type of supervision carried out by people designated by the Ministry of Education to carry out supervision in schools. This include those who go by the title, Chief Inspector of Education, Deputy Inspector of Education, Zonal Inspector or Education etc. these are inspectors who are expected, as their primary responsibility, to inspect schools and work directly with teachers to improve the quality of instruction in schools. It is also referred to as between-school supervision.

In addition, Nwanko cited in Peretomode (1995) divided supervision into categories. These are instructional and personal supervision. Instructional supervision has been defined as a set of activities, which are carried out with personnel supervision on the other hand, deals with the set of activities, which are carried out by the supervisor with the basic aim of sensitizing, mobilizing and monitoring staff in the school towards performing their duties ultimately in terms of achievement of the state aims and objectives of the educational system.

Ohiwerei and Okoli (2010) described supervision as the process whereby an authorized person whose nomenclature is thereafter called supervisor sees to the work of others to see whether it is in line with stated standard, and if not he corrects, directs, teacher, demonstrates assisting in teaching techniques, conferring with teachers assisting in processing of evaluating and examination and revising curriculum and course of study, holding conferences or group meeting to discuss problems, attending local, state, regional and national professional conventions etc. One of the most effective means of maintaining and improving instructional programme is to obtain good teachers/lecturers, orient them effectively, place them to improve teaching and learning, the supervisor should provide for the afore mentioned variables.

Kathleen (2006) says, defining supervision is not a simple task. The field has "a variety of sometimes incompatible definitions, a very low level of popular acceptance and many perplexing and challenging problems'' supervision causes discomfort and weakens allegiance." In some situations, supervision has been defined for legal and contractual purposes. According to Hazi cited in Kathleen (2006), New Jersey law defined a supervisor, as ''any appropriate certified individual assigned with the responsibility for the direction and guidance of the work of teaching staff members." In this context, supervision is seen as administrative code and it is legally synonymous with evaluation.

Daresh (2001) opined that supervision is a process of overseeing the ability of people to meet the goals of the organization in which they work. He stresses that supervision should be seen as a process rather than as a professional role, in line with this, Hamed (2010) said, supervision can be seen as the element of administrative process concerned with the effort of the administrator to guide the day to day operations of the school system.

Supervision can be seen as behavior formally provided by an organization (school) for the purpose of directly influencing teaching behavior in such a way as to improving students' learning. In a similar way, supervision can be seen as behavior formally provided by the school for the purpose of directly influencing teaching and learning in social studies. Hence, it is an undimentional concept! In the school system where the aim is better school performance, supervision relates to guiding and coordination the work of teachers/lecturers and all connected with school work in such a way that student-learning is facilitated.

In his study, Igwe (2001) explained that supervision is the process of ensuring that the policies, principles rules, regulations and methods prescribed for the purposes of implementing and achieving the objectives of education are carried out. It involves the use of expert knowledge and experience to oversees, evaluated and coordinate activities in the schools.

The universal Basic Education Progarmme manual (2002) prepared on supervision stated that "in the context of education, supervision refers to the role played by an education officer (or supervisor) in being responsible and making sure that teachers/lecturers do their work effectively" It therefore, gave the primary objective of supervisor helps the teacher/lecturer to teach in such a way that the child/student understands so that he/she acquires the abilities, skills and attitudes stated in the objectives of instruction. The manual clearly states that school supervision is aimed at assisting teachers/lecturers to teach the learners under their care in most effective way.

An effective teacher/lecturer is a scholar who shares knowledge, uses appropriate methodology, demonstrates and encourages enthusiasm about the subject matter, and shows a concern for students, all in such a way as to leave the students with a lasting and vivid conviction of having benefited from the instruction. Borich (1992) described an effective teacher/lecturer as one that concerns students' learning outcomes. He or she is expected to demonstrate five key behaviors (lesson clarity, instructional variety, task orientation, engagement in the learning process, and student success) and five helping behaviors (using student ideas and contributions, structuring, questioning, probing and teacher effect) in teaching.

However, what constitutes an effective teaching may be subject to debate, it would be simplistic and reductive to insist on a monolithic definition of effective teaching, considering the multiplicity of factors that come into play but most people would agree that the basic purpose of teaching is to enable learning. The most effective teaching is that which results into the most effective learning. Therefore, one sentence definition can possibly cover the range of talents, concerns and efforts that go into effective teaching. The effective teaching varies with the age of the student population, background, subject matter etc. the multiple definitions will be more accurate to describe what effective teaching is.

In view of the aforementioned, supervision as a panacea for effective teaching and learning of business Education could be explained as the improvement of instruction in social studies, Social Studies lecturers' competence and the efficiency of the school system. In other words, supervision enhances effective teaching and learning by helping to improve instructional delivery.

Problems of Supervision in Nigerian Schools

Educational supervision has been bedeviled with series of problems since the take-over of schools by the government in 1976. Among the major problems' identified by Ohiweri and Okoli (2010)

Poor Incentive

Supervisors as well as the lecturers which they supervise do not seem to have much incentive to make them want to work hard at their job it was also observed that the lectures always complained of too much work. The implication of these is that they would not be satisfied on the job and it would be difficult for such lecturers to be totally committed to their job and this could greatly and adversely affect their teaching and make the work of the supervisors difficult. According to Peretomode cited in Ohiwerei and Okoli (2010), the inspectors are dissatisfied (Business Education Head of Departments inclusive) with their jobs because of motivating factors are minimal. It appears to be known that teachers/lecturers and their resources persons are poorly remunerated. In support of this, Bolarinwa (2004) opined that if an institution is to operate effectively and efficiently, it has to improve the role in defining goals and objectives, decision-making and decision sharing, this soliciting their commitments to the achievement of the goals or objectives as they are motivated.

Communication in Supervision

Social studies supervisor to carry out his/her duties effectively, he/she must be able to communicate effectively. Without communication, meaningful relationships among people, communication will not be necessary. In support of this, Peretomode (1995) opined that communication is an important factor in human relations.

Other problems identified by Arogundade (2009) are:

A constant change in policy a times in could to affect the attitudes of supervisors to work, a change which does not make provision for the supervisors to develop themselves towards the challenges that the new policy might bring or change which does not give room for the strict observance of standard like policy that has mass education and mass promotion as a priority.

Lack of pre-professional training for supervisors, for example, school supervisors like school heads are trained in planned ways in educationally advance countries such as the United States, to equip them for optimum job performance. In Nigeria, school heads and other school supervisors appointed to their position. The problem is further complicated by the institutions leading to the appointment of more and more new school heads and head of departments that have not been trained.

`Lack of relevant supervisory competences and poor funding of the school system also contributed to poor supervision, supervisory Techniques for Enhancing Effective Teaching and Learning of social studies Tertiary Institutions.

There are several techniques that can be used to improve effective teaching and learning in social studies. Among them are:

In modern supervision, attention is focused on problem-solving rather than fault finding. Thus the supervisor needs to be involved in the systematic and objective collection and the analysis of data in order to find solution. Supervisors and social studies teachers/lecturers are to cooperate in identifying a given problem and jointly devise means/techniques of solving the problem.

Classroom visitation: The supervisor observes the social studies teacher'/lectures' method of teaching, presentation, and motivation for learning, assignments and use of teaching and learning aids. It should be noted that it is the head-teaching/learning process with the intention of helping to improve the instructional quality in the classroom.

Collegial supervision: This is a process of involving social studies teachers /lecturers in the supervision of each other. The idea is that, colleagues normally help themselves informally and this can be used to improve instruction. This works best in an atmosphere where there is trust and where colleagues have good inter-personal relationship.

Inter-school Visitation: This is a bit similar to collegial supervision, the difference here is that, instead of social studies teachers/lecturers supervision social studies teachers/lecturers in the same school, social studied teachers/ lecturers may be given permission to visit social studies teachers/lectures in other schools, observe their teaching methods and share ideas with them. Besides, this can help social studies teachers/lecturers learn new teaching methods that are practical in other schools.

Micro-teaching: This is a process that makes it possible for a social studies teacher/lecturer to participate in an actual teaching situation while he/she will have immediate feedback on his/her teaching. This method is useful because, the social studies teacher's/lecturer's weakness and strength can be identified to help the beginning and professionally weak Social Studies teacher/lecturers to improve on their presentation of instruction in social Studies classroom.

In-Service training: This refers to professional learning experience of people who are employed as social studies teachers/lecturers. It normally takes place after the completion of some programme of teacher evaluation. Inspectors usually run in-service training courses for teachers order to help them become familiar with new methods if instruction. E.g. How to keep contivuous assessment records.

Workshop: This involves organizing various educational workshops for the purpose of improving teaching and learning, it is very useful and resourceful because, it is flexible in nature, it is very useful and resourceful because, it is flexible in nature, that is, a workshop may be organized to meet a particular need at a particular time; it is usually composed of a group of people working on a common problem and trying to find a solution or solutions to such a problem or problems through group discussion and conference (Association of Social Studies of Nigerian SOSAN) under the close supervision of resource persons or consultants; and new ideas may be introduced and demonstrated during the workshop Research. This Is when an enquiry is made into some instructional problems in social studies and the findings disseminated to various school' social studies department.

Demonstration: This is when the supervisor demonstrates in the social studies class, various techniques of the aching social studies courses/;subjects. At times, the supervisor may find out that some teaching techniques are not effectively used, or that the uses of certain teaching gadgets or facilities are not known to social studies teachers/lectures. In such cases, he earaches demonstration for the teachers/lecturers. This gives the social studies teachers/lecturers the opportunity to see how it is done, and also practiced under the guidance of the supervisor.

Conclusion and Recommendations

It was concluded that supervision is highly significant in ensuring effective teaching and learning of social studies in tertiary institutions. Effective teaching has to do with sharing of knowledge, using appropriate methodology, demonstration and encouragement of enthusiasm about the subject matter, concern for students all in such a way as to leave the students with a lasting and vivid conviction of having benefited from instruction which also varies with the age of the student population, background subject matter etc. in other words, for effective teaching and learning of social studies in tertiary institutions, there is need for proper supervision.

From the findings of this study, it was suggested that government should ensure adequate provision of human and material resources needed for effective supervision of social studies in tertiary institutions. Adequate transport facilities, touring advances and allowances for job hazards should built into the condition of service of supervisors (Head of Departments). In line with this, Abiodun (2004) opined that if an institution is to operate effectively and efficiently, it has to improve the people in defining goals and objectives, decision –making and decision sharing this soliciting their commitments to the achievement of the goals or objectives as they are motivated. A training package to incorporate the identified communication skills that supervisor were deficient in, should be developed so as to improve their performance of the skills. In-house or other collaborative trainings should be conducted by social studies Department to address such communication skill-gap in their institutions so as to improve effective teaching and learning of social studies. Moreso, the relationship between a supervisor (Head of Department) and social studies lecturers should be a cordial one. In line with this, Peretomode (1995) opined that communication is an important factor in human relations. The supervisors should benefit from regular in-service like, workshop, seminars, conferences (Association of social Studies of Nigeria conferences) and short-form courses that will expose them to change in policy and curriculum. Supervisory agents should be highly educationally qualified, social studies experienced and professionally trained in educational supervision. The government should fund the existing tertiary institutes and stop establishing new ones so that sufficient funds could be made available at the Faculty level as well as the departmental level for effective supervision.

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The Pardox of Material Shortage and Democratic Consolidation in Nigeria

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Synopsis

Economic prosperity and social security are key ingredients for the sustenance of democracy anywhere in the world. This is because better economic performance leads to improvement in the people's standard of living. To achieve these goals, the Nigerian state is required to harness its huge human, material and latent potentials for the development of the country. This encapsulates increase in employment generation, and improvement in literacy and health status as may be found in longevity and social stability. For several decades all these could not be realized due to bad governance. With the inauguration of democratic rule in 1999, it was expected that democratic rule will stem the tide of economic decline and socio-political instability. Over a decade, the country is still groping under socio-economic and political miseries. Thus, the paper examines the nexus between material shortage and democratic consolidation in Nigeria. With the use of political participation theory, the paper argued that the only practical way to consolidate democracy is by surmounting the present material shortage. It recommends among other measures, to empower the people to make informed choices and contribute positively in making public decisions which affects their welfare, to recreate their environment and unleash their latent potentials for self development and corporate co-existence. The paper concludes that we must break away from the trajectories of the past by increasing the likelihood of achieving a healthier and wealthier nation within global best practices.

Keywords: Consolidation, Democracy, Materialism, Shortage, Nigeria

Introduction

The clamour for democracy by its founding fathers was predicated on certain universal goals and values which are capable of promoting human welfare and well-being. These core values of democracy include: freedom of speech, conscience and their correlate, liberty and fraternity. Where these values are properly activated, they lead to effective empowerment and mobilization of the people to participate in socio-economic and political development. However, this has not been the case in Nigeria. Consequently, the country has had to contend with a debilitating cycle of poverty economic and political decay.

With abundant oil and gas, solid minerals and agricultural resources, as well as highly developed manpower produced by over 250 tertiary institutions of which 128 are universities, Nigeria has the potential of becoming a highly developed nation. For instance, in the 60s it was regarded a potential African "tiger" but by 1995 according to World Bank (1996), it slipped far behind Malaysia, with which it was at par, to the status of the world's most indebted and 15 poorest countries. This decline was attributed to mismanagement of the national economy by the centrifugal forces whose major concern is primitive accommodation of collective wealth. Pervasive corruption and absence or ineffective oversight by government institutions became and still remain the only game in the nation polity (See for example Osaghae, 2011).

With the return to civil rule in 1999, nothing seems to have changed. The political elite in the country appear to have learnt and forgotten nothing of the despicable practices of previous republics. Material shortage (poverty) which can be analytically divided into two: human poverty which is the lack of human capabilities and income poverty, which is the lack of income necessary to satisfy basic need e.g. poor life expectancy, poor maternal health, illiteracy, poor nutritional levels, poor access to safe drinking water and perceptions of well-being (UNDP, 2001) are all prevalent in the country. Material

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shortage literarily refers to environmental, socio-cultural, political and economic deprivation. In other words, it is a state of involuntary deprivation to which individual, household, community or nation can be subjected to, as is the case in Nigeria. Scholars have argued that material shortage in Nigeria are reinforcing vicious circles that keep individuals, families and regions poor and unable to contribute to national growth (See for example Igbokwe-Ibeto, Akhakpe, and Oteh, 2012; Okoye and Onyukwu 2007)

The country political leaders appear to have lost the initiative in tackling the socio-economic and political malaise plaguing the nation's polity. This explains the deplorable state of different sectors of the Nigerian economy. Virtually all sectors of the economy are at varying stages of decay. The expectations that the return to civil rule will stem the tide of socio-economic decline and deliver the dividends of democracy therefore, have largely been unrealized.

Although Graf (1988:13) argues that break down in the Nigerian political system have always occurred within the context of inter-ethnic controversy. However, he fails to recognize economic consideration which underlay the break down. For example, to say that Nigeria civil war was as a result of ethno-regional differences is to discount economic consideration which partly fueled the war. Given the complexity of Nigerian politics, therefore, cognizance should be given to other variables such as material shortage. It is against this background that democratic consolidation within material shortage is discussed here. The objective is to pull together important and related explanatory variables into a logically coherent framework. The bases will be discussed in terms of whether Nigerian economy can midwife democratic consolidation in the context of material shortage (poverty) with the aim of identifying how the country's resources can be used to achieve goals of democratic consolidation in the country.

To interrogate the issues raised, the paper is structured as follows: the first section chronicled the conceptual and theoretical discourse. The second, engaged in understanding Nigeria's political economy while the third examined the nexus between material shortage and democratic consolidation in Nigeria. The fourth section encapsulates challenges facing democratic consolidation within the context of material shortage. The fifth suggest the way forward for the nation and then conclusion.

Conceptual and Theoretical Discourse

Liberal democracy has become the only game in the world. This is because of the several benefits it avails countries which continuously apply its mechanisms to resolve challenges facing their societies. Democracy is regarded as the best form of government because of opportunities it avails its adherents to govern themselves and uplift their material and physical conditions. In a Lincolnian sense, democracy is referred to as government of the people, by the people and for the people. This view, underscores the importance of the people as the essence of government. However, modern democracy cannot be practiced with everyone participating in the decision making process. This is why representative democracy is all about government of the people through their representatives. Whether those elected would keep faith with the electorate's mandate is another issue entirely. But the first step to realizing this goal is to have a virile and institutionalized party system that would be able to promote party governance, the welfare of the people and by implication democratic consolidation.

Democracy therefore, can be seen from two perspectives. The first views democracy as a moral imperative. This imperative, in the words of Nzongola-Ntalega (1997) is "a permanent aspiration of human beings for freedom for a better social and political order, one that is more human and more or less egalitarian". This social and political order is necessary for the people to realize their goals. In the second perspective, democracy is seen as a social process. In this context, democracy aims at "radically changing the deteriorating situation to bring improvement in the material life of the people" (See Nzongola-Ntalega, 1997).

Beyond regular conduct of elections, emphasis in democracies should be on its procedural aspects, such as; free and fair competitions among political parties for the power to make public decision. It is the power in the hands of the people to make public decisions that determines their well-being. With the present level of development in Nigeria, promoting the material wellbeing of the citizens should be the focus of the political elite.
All these processes create tangible material context on which the people can live and actualized their potentials. The better context that development creates is epitomized in "…rising income per capital, better education, better health, increase in life expectancy, full employment, and social stability" (Iwayemi, 2001) especially in a developing societies. All these help democracy to be depended and enable the citizenry to make informed choices and decisions. It is along this line of thought that Nzongola-Ntalaja (2004) quoting Amlca Cabra persuasively admonished:

> *Always remember that the people do not struggle for ideas, for things in the hands of individuals. The people struggle and accept the sacrifices demanded by the struggle but in order to gain material advantages, to be able to live a better life in peace, to see their lives progress and to ensure their children's future.*

The only way democracy can make sense to the people is when their welfare is met by government. In many presumed democracies such as Nigeria, the people are yet to reap the dividends of their struggles in form of higher standards of living, development and peaceful co-existence.

As a concept, democratic consolidation is the process of solidifying democracy in a country. Consolidation is the process by which democracy becomes so broadly and profoundly legitimized among its citizens that it is unlikely to breakdown (See Diamond, 1999). Consolidation therefore, encapsulates attitudinal and institutional changes that normalize democratic politics and narrow its uncertainty. An empirical analysis of this definition suggest that democracy is consolidated when there is reasons to believe that the political system is capable of withstanding pressure without abandoning the electoral process of political freedom. In spite, of its teleological flavor, there is little doubt that democracy should be deepened and strengthen to realize its ends and values.

There are several theoretical platforms on which the subject under interrogation could be predicated. These include: theory of the two publics, political economy, state-society relations and political participation theories. While other theories may be relevant in their right, we anchor the paper on political participation theory because of the advantages it present in analyzing issues raised in the paper especially in the pursuit of the core values of democracy as captured in our conceptualization of democracy. While political participation could be seen as means of reaping the reward of holding political offices, others see it as avenue of affirming one's efficacy in the political system.

Political participation offers opportunities for changing the governing officials and a social mechanism which permits the largest possible part of the population to influence major decisions by choosing contenders for political office, ensure they are politically accountable and in the process promote good governance (See Lipset, 1960). All these are central to achieving the peoples' material ends. But this is not always the case because in representative democracy, the elected dominate the electors.

Understanding the Nigerian Political Economy

Nigeria is potentially a great nation by reason of the enormous resources found within its boundaries but begging to be harnessed for the good of the collective wealth. Before the discovery of oil, Nigeria was an agrarian economy. The country was famous for the production of different cash crops. According to Williams (1980), there was healthy rivalry among the country's regions, each of which was export crop specific such as palm produce in the East, groundnut and cotton in the North, cocoa in the West, and rubber in the Mid-West. With revenue from these products, the various regional governments were able to meet, in varying degrees, their responsibilities to the people.

The shift from agriculture to oil and gas has not uttered the orientation and structure of the economy as well as the trade relations with the West. Oil now accounts for over 90 percent of the country's foreign exchange earnings. However, the way and manner oil is explored and exploited has not improved the lot of Nigerians rather it have led to comprador capitalism and a rentier economy. The state relies on oil rent to survive. Graf (1998) characterized such economy as rentier, the features of which:

> *….is that it severe the link between production and distribution, revenue accrue from productive activities. This production depends, however, on techniques, expertise, investments and market generated outside the territory controlled by the state. For this reason practically all aspects of exploration, production and marketing are dominated by international capital, typically in the form of the multinational corporations.*

The implications of this structure of the post-colonial economy on Nigeria can be summarized thus: the economy is susceptible to crisis and shocks in the prices of commodities in the World Market, the economy is dependent on South-South trade patterns, it disarticulates the economy, discourages agricultural development and vitiates the growth of non-state capitalism. Also, these factors militate against the state's autonomous action and have led to the externalization of efforts to arrest the economic decline in the country, (Osaghae, 2011).

The premium on power has become very high and competitive party politics has taken a zero-sum approach where the winner takes all and the loser is vanquished. This has led to intemperate political behaviour that sometimes translates into political thuggry, assassination, ballot box snatching and stuffing, among others. Tendentiously, the country is inherently unstable as different parts of the country are under siege either by militants, kidnapers, and or ethno-religious insurgency. The most recent and attritions of them is the Boko Haram sect terrorizing some parts of Northern Nigeria.

With the return to civil rule in 1999, all sectors of the economy came under review raising hope for an improvement in the economic situation in the country. Consequently, a new philosophy was encapsulated in a document called The National Economic Empowerment and Development Strategy (NEEDS). The document lays out the policy thrust of government which is aimed at re-directing and re-focusing the economy for the challenges of an ever competitive and complex global market. NEEDS is to create a Nigeria that Nigerians can be proud to belong to and grateful to inhabit, a Nigeria that rewards handwork, protect its people and their property and offers its children better prospects, than those they will attempt to seek in Europe or the United States. To achieve its vision, it focuses on four key strategies of re-orienting values, reducing poverty, creating wealth and generating employment (See NEEDS, 2004).

Implementation of these strategies began with efforts by the central government to repay and reschedule some of the country's debts. To this end, in 2005 and the early part of 2006, the federal government successfully paid $12.4bn to the Paris Club of creditors nations to earn $18bn write off of the outstanding $30bn debt own the group" (New Age, 2007). The repayment and rescheduling of the country's debts, it would seem, was to provide soft landing for the government, to buy the favour of the international financial institutions in the country's drive to resuscitate the ailing economy, and create window for further loans and assure of liberalization of the economy.

The comatose electricity sector is one aspect of the economy that received and is still attracting the attention of government. In a bid to increase the country's power generating capacity, the government envisaged that by 2007, it will increase its present generating capacity put at about 3,000mw to

10,000mw. To this end, the government has sunk about ₦18.6bn into the power sector. While the government is encouraging the participation of Independent Power Producers (IPP) in the electricity industry, it has embarked on the construction of new thermo power stations across the country (See for example, Reforms of the Power Sector, 2004). Despite the huge amount of money sunk in this all important sector of the economy from 1999 to date, electricity power is non existence and where there is light, it is epileptic.

Yet, another sector of the economy that has received major attention from the federal government since the return to civil rule is the oil and gas sector. The government has made efforts to bring into full operational capacity, the four refineries in the country. It has sunk billions of naira into the turnaround maintenance of this vital sector of the economy, to ensure smooth supply of petroleum products in the country that is one of the world's leading producer of oil and gas products. But the oil industry has turned out to be a hard nut to crack. The enormous resources sunk into the sector have not reflected in its domestic prices and efficiency and effectiveness in service delivery.

Although, agriculture has taken the second place in the priority of government, it occupies an important position in the life of the nation. This is why successive governments have given attention to this sector. Government has been making serious efforts to increase production of basic staple food items in the country such as rice, wheat, sugar, beans, cassava, among others. This is not unconnected with the increase in the prices of these staple food items which serve as major sources of protein to Nigerians but whose prices have sky rocketed. Also the fear of food crises in Nigeria remains pervasive. The country now relies on import to meet its local demand for rice, beans, sugar, etc. For example, between 2004 - 2007 Nigeria spent about 47.88 billion dollars on importation of consumables (Odion-Akhaine, 2008).

Challenges facing Democratic Consolidation in Nigeria

Economic prosperity and social security are key ingredients for the substance of democracy anywhere in the world. This is because better economic performance leads to improvement in the people's standard of living. This explains why we have argued that the present economic condition in the country that has taken the people below poverty line portends danger for the country's evolving democracy. The phenomenon of material shortage has also made it expedient for politicians to seek office because of material gain. In this context, democracy is endangered and the possibility of its consolidation becomes far-fetched.

A strong correlation has been established between economic performance and democratic consolidation. As Diamond (1999) contents:

> *It is by now a truism that the better the performance of a democratic regime in producing and broadly distributing improvements in living standards, the more likely is to endure…. While the level of economic development powerfully shapes the survival, prospects of democracy and affluence democracies survives no matter what, among moderate income and especially poor countries, democracy is much more likely to last when the economy grows rapidly and with only moderate inflation.*

If the above claim is anything to go by, then Nigeria is still groping in the dark. The expectation that the return to civil rule will stem the tide of economic decline has not been met rather at the macro-social level, poverty, unemployment; insecurity and lack of social infrastructures have been on the increase. If Huntington (1991) view to the effect that poverty is the principal obstacle to democracy is anything to go by, then democracy certainly never can be consolidated in the country due to the rate of hydra-headed socio-economic condition of the people.

The reason for this claim may not be unrelated with the failure of government at all levels to carry out its annual budgets efficiently and effectively. As members of the Nigerian Parliament recently lamented, by the month of July 2012, funds have not been released to ministries, departments and agencies (MDAs) to carry out capital projects. In the view of some members, while "recurrent expenditures have kept pace with expectations, the capital budget implementation is suffering" (See The Nation, 2012).

Presently, the people's conditions are in a very sorry state. Prices of essential commodities are out of the reach of the ordinary Nigerians who earn ₦18,000 or less per month as minimum wage – a take home pay that hardly take any one home – can only led to material shortage resulting to hunger, desperation, crime and the likes. Indeed, hunger has intensified over the years. According to the United States 'International Food Policy Research" and German "Agro-Action", Nigeria ranked 40 out of 119 developing countries on the global hunger index (See Punch November, 2006). Similarly, Human Development index ranked Nigeria 153th of 185 countries on quality of life in the world (HDI, 2013).

The declining material conditions of the people under a supposedly democratic system throws spinner in the wheel of the democratization process in the country and is gradually alienating the people from their government. Inability of government to pursue the public interest has serious implications for democratic consolidation. As Laski (1921) persuasively admonished:

> *a state which refuses me the things it declares essentially to the well-being of another is making me less a citizen. It is denying that which invests its power with moral authority. It is admitting that its claim upon me is built not upon its ethics, but its strength.*

The neo-liberal market reforms in Nigeria have extended rather than bridged the gap between the rich and poor in the country. There is no middle class in Nigeria anymore; you are either rich or poor. Yet, while the rich gets richer, the poor gets poorer. This inequality is promoted by the rentier economy propelled by the oil cabal who feeds on distribution of oil wealth rather than its production. The stark revelation about the running of the oil industry shows that revenues from oil find their way into pockets of comprador capitalist in the private and public sectors with active connivance of the oil multi-nationals.

Politics of impunity has become the game of the moment because the stakes are high and politicians will do anything to lay their hands on the national cake. Institutional rules in the process become the first causality as they are observed more in their breach than observance. In all these, the social concerns of the citizenry are given little or no attention to by those holding political and economic powers. This is reflected in the rapidly decreasing standard of living across the length and breadth of the country. These challenges though huge and complex, they are not insurmountable. At this juncture, we shall proffer some steps which might take the country out of this quagmire and thus, engender democratic consolidation

Democratic Consolidation within Material Shortage: The Way Forward

The greater part of the country's post independence years were spent under authoritarian rule. The present democratic experiences present the country with another auspicious chance of institutionalizing democracy and an egalitarian society. Given the country's pedigree of government by compulsion or force "State power which seems consistently to favour particular interest at the expense of others not only forfeits the support of the excluded interests but also undermines the legitimacy of its own claims to authority" (Williams 1980). Therefore, there is need for transformational leadership to bring forth a new political ideology under which all can contribute to the concerted match to orderly progress and in which public objectives are taken out of political contention, (Williams 1980). Its socio-economic and political ideology should embody public goals and values not parochial interests.

One of the challenges Nigerians have had to contend with is electricity supply. As the government has observed, "the availability of electricity is a sine qua non for economic and industrial development of any nation" (Reform of the Electric Sector, 2005). This is because, "in contemporary times, the per capital

consumption of electricity determines the level of industrial activities and hence the development cum standard of living of any nation". Nigeria with a population of over 167 million people is said to generate below 4000mw with a 0.0BKW per capital consumption. Government had envisaged that by 2007 it would be able to generate 10,000mw of electricity. Yet, reliable power supply is inaccessible to majority of Nigerians talk less of having it at affordable prices (Reform of the Electric Sector, 2005).
The country is in dare need of statesmen "whose minds are elevated sufficiently above the conflict of contending parties to enable them to adopt a course of action which takes into account a great number of interests in the perspective of a longer period of time" (See Magstadt, 2006). Only leaders with extra-ordinary political skills and practical wisdom can resolve the hydra-headed socio-economic challenges facing the nation. Corroborating the above is the position of Achebe (1981), that the trouble with Nigeria is essentially leadership.

Flowing from the above, the answer to the poverty question and other social malaise in the country lie in government efforts at unlocking the "welfare of the individual through providing better educational facilities, housing, health facilities, more jobs and rising standard of living for the people as a whole. However, these goals might be difficult to achieve under a neo-liberal market reform with its high social cost (Olukoshi, 1998). Therefore public sector managers should come up with innovations which will incorporate the country's own values and goals into its home grown socio-economic system. This will require mobilization of the populace to take active part in sustaining this "new" socio-economic model for the country. In this regard, broader consultation should be made with Civil Society Organization (CSOs), Community Based Organizations (CBOs), , Voluntary Organizations (VOs) among others, to evolve a methodology that will take a bottom-top approach and bring to the fore a truly indigenous development paradigm into the socio-economic system in the country.

The immediate outcome of such measures could easily be imagined. It will bring about diversification of the economy and a shift from the reliance on oil as the chief revenue earner of government there by creating more jobs and production of goods and services. The agricultural sector will be properly linked with the urban industrial sector to ensure that rural produces are not allowed to rot away due to low patronage and in the process stem the tide of rural – urban migration.

It is by now a truism that the main goal of every independent state is to provide security for its citizens. This view is ably supported by Hobbes (in Magstadt, 2006) when he argues that "safety from harm constitutes the chief justification for government's existence." The politics of impunity in the country should give way for consensual politics. As some statesmen rightly noted, Nigerians now live in fear due to the security concerns in the country. Those at peace work for it. The surest basis for peace is social security. It is when the people are assured better standard of living that political and social security endures.

There is need to evolve a new political culture away from ethno-religious politics, win at all cost syndrome, prebendal use of state positions and intemperate political utterances. These political attitudes and behaviours over-heat the polity and divert political energies into unproductive ventures. Government by politicians should be able to create conditions necessary for democratic consolidation and not breakdown as witnessed today by the conduct of some seating governors and highly placed politicians. The shameful act displayed by members of Rivers state House of Assembly is a typical example. It appears the Nigerian politicians have learnt nothing from the previous Republics.

Also, brokerage and patronage politics should be deemphasized for politics of tolerance and accommodation, consultation, bargaining and compromise. Internal party democracy should be pursued to give the people a say in how the party is run, respect for institutional rules and the practice of good governance in the running of the party finance, separation of powers within the party organization, among others. It is when these core democratic values are in place, that democracy can take root in the society.

To improve electricity supply, the Jonathan administration has signed a number of contracts to build new power stations and improve electricity distribution to Nigerians. In pursuance of this goal, the Federal Executive Council (FEC) recently approved ₦8bn for the construction of five additional power substations to address the lingering problem in the national power grid (Punch, 2012). Following the abysmal power supply in the country, the FEC again, approved the construction of the strategic gas pipeline from Obiaku Obrikon in Rivers State to Oben in Edo State at a cost of over ₦60bn (Punch, 2012). It is yet to be seen how these measures would improve the epileptic power supply across the country. A point that need be emphasized is that unless and until there is behavioural and attitudinal changes among stakeholders in the electricity sector, like the oil and gas sector, it will be hard to achieve efficient and effective power supply in the country.

There are universal goals and values which people across the world have come to appreciate and identified with. These include: human freedom, liberty and equality. In addition to these and given the state of the country's development, values to be prioritized include provision of basic amenities of life such as: food, jobs, water, housing, medical facilities among others. Democracy can facilitate their realization. However, we caution that periodic elections only, do not translate into democracy. Efforts should be continually directed at improving the performance of the country's democracy by free, transparent and fair election. Democratization is work in progress, is never a finished business. The matured democracies of our time did not get to where they are today overnight. It requires perseverance and timeless labour for the country to get to an enviable position in the democratic continuum. Nigeria will surely get there, if it faint not in its belief in itself and the course it is pursuing.

Conclusion

We will at this juncture conclude by stating that for the country to break from the tragedy of the past, the respect for the rule of law and constitutionalism hold the key. The law is no respecter of persons therefore; there should be no sacred cows in its application. This is why a people centered constitution should urgently be put in place. The subsisting constitution in the country came to being through military fiat though the then head of the ruling military junta claimed that their usual "wide consultations" were carried out. Yet, the constitution remains an albatross by virtue of its exclusiveness. A political culture should be evolved that will make the spirit of the constitution rather than its letters, the driving force behind state and individual actions in the public and private realms.

As Rousseau has rightly admonished:

> *The real constitution of the state which acquires new strength daily, which when other laws grow old pass away revives then (which) preserved a people in the spirit of their institutions and in perceptibility substitutes the force of habit for that of authority is the constitution graven…..in the hearts of the citizens (See Eckstein, 1963).*

It is the spirit in the constitution graven in the heart of its operators and those affected by it that keep society together and make its institutions functional. The call for a new constitution should not mean that once given, it would resolve the numerous challenges facing the nation. It is only when such constitution is put to use that it could moderate the conduct of state duties and its force comes alive. This is what well meaning Nigerians should aim at. Yet, all these efforts could only take place in the context of peace.

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Board Diversity and Firm Performance

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Abstract
This paper attempts to understand the relationships that exist between board diversity and firm performance. Thus, the purpose of this paper is to empirically examine the relationship between diversity on boards of directors and performance of firm. This paper uses secondary data from thirty quoted companies in the Nigerian Stock Exchange. Diversity in board is measured by diversity, control variables and performance which are viewed in terms of return on asset (ROA). Regression analysis is the statistical technique considered and the details of the findings explain the impact of diversity on firm performance. This paper is expected to make a significant contribution to the work force diversity literature particularly at top level management by proving that the more female on the board will lead to increase firm performance.
Keywords: Board Diversity, Firm Performance, Board Size, Board Independence

Introduction

The board of directors is charged with over sight of management on behalf of Shareholders agency theorists argue that in order to protect the interest of store holders, the board of directors must assume an effective over sight function.

The board of directors also plays a very important role in the view of maximizing shareholders wealth through the exercise of control over top management (Kose and Senbet 1998). As a corporate governance mechanism, the board of directors will have direct impact in assuming adequate returns for stake holders. (Vafeas, 1999, weir and Mc knight, 2001). The general principles outlined by the Malaysian code of corporate governance in 2000 includes board size, board independence, board structure. The issue of board diversity as a corporate governance mechanism has received considerable attention in recent years from a academics market participants and regulators. Board diversity keeps receiving attention because theories provide views as to the impact of board diversity on firm performance. However, this research is designed to investigate the impact of diversity within the boards of directors on firm performance with focus on board diversity excursively in terms of gender as the term "Board Diversity" can have several meanings linked to differences in board composition in terms of ethnicity, age, education, gender and nationality.

Statement of the Problem

Boards of directors have been highly criticized for the decline in shareholders wealth and corporate failure. The boards of directors have been in the spotlight for the fraud cases that had resulted in the failure of major corporations such as Enron, WorldCom e.t.c. In Nigeria, a series of widely publicized cases of accounting improprieties have been recorded e.g. Wema Bank, NAMPAK, Oceanic Bank, Intercontinental Bank (Corporate Governance code of Nigeria 2005). Some of the reasons that have been stated to be responsible for these corporate failures are the lack of watchful oversight functions by the board of directors, the board relinquishing control to corporate managers who pursue their

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own self interest and the board being negligent in it's accountability to stake holders.
As to result, various corporate governance reforms have specifically emphasized on changes to be made to the boards in terms of women participation.
Therefore, the study seeks to investigate further the likely impact of board diversity on firm performance with regards to the participation of women.
The study attempts to find answers to the following specific questions.

1. To what extent does board size affect firm performance?
2. Does board diversity have any relationship with firm performance?
3. Is there a relationship between board independence and firm performance?

Objectives of the Study

This study specifically identified the following objectives

1. To evaluate the extent to which board size affects firm performance.
2. To examine the relationship between board diversity and firm performance.
3. To investigate the relationship between board independence and firm performance.

Statement of Hypotheses

The following hypotheses were formulated to provide answers to the research questions.

H_1: There is a negative relationship between board size and firm performance.

H_2: There is a positive relationship between board diversity and firm Performance.

H_3: There is no significant relationship between board independence and corporate firm performance.

Literature Review

Board Independence and Firm Performance

Researches that have been carried out include quite a large number of indicators for board independence. In the literature of researches conducted during the 1980's and 1990's , the term board composition was used to describe board independence which refer to the independence of the board of directors from the company itself. The ratio of outside directors to inside directors i.e. employed directors is the most commonly used indicator for board impendence. Another indicator that is used is the ratio of affiliated directors to non affiliated. A third indicator is the proportion of directors who are independent and interdependent in relation to the chief executive officer. While the independent director is defined as the director who precede in time the appointment of the chief executive officer. The interdependent director on the other hand predate the appointment of the chief executive officer. It was establish during the 1990's that there was a kind of agreement in the conceptual literature concerning the idea that effective boards are composed of a large proportion of outside directors, Dalton, Daily, Ellstrand and Johnson (1998). This particular notion was based on the agency theory which represent subordinate as individualistic, opportunistic and self serving. Jensen and Meeking (1976) buttressed the notion that agents will set according to their own self interest instead of acting in the best interest of the shareholders in order to compensate for this behaviour, monitoring and bonding expenditures are therefore are required and one method of energizing monitoring is by separating ownership and control which can be accomplish by ensuring that an outside director chairs the board rather than the chief executive officer. The stewardship theory which is an alternative theory to agency theory states that insiders by their nature are collectivist, pro-organizational, and trustworthy (Davis, schoorman and Donaldson, 1997). It's theory that is based on the assumption that an individual chooses pro-organization behavior in favour of self serving behaviour. According to (Dalton et al, 1998), stewardship theory indicates that the control should be centralized to the inside directors instead of the outside directors in order to serve shareholder better. It is crystal clear from the foregoing that stewardship theory support the idea and belief that the chief executive officer should chair the board rather than the outside director in order to provide unified firm leadership and remove any ambiguity concerning who is responsible for the firm's performance. Before Dalton et al. (Ibid) studied board. Independence in relation to firm performance, some empirical evidence supported agency theory, some supported stewardship theory and other evidence supported neither of the two theory. A year after Dalton et al. (1998) study, Dalton Daily, Johnson and Ellstrand (1999) presented the idea that a board may require both inside and outside directors even with affiliated directors since a board must carry out several different tasks like exercise of control, provision of resources and advising management. An inside director could be proficient in giving advice to the chief executive officer, but could depend upon him or her for guidance, becoming unsuitable to exercise control. An outside director may not be very skilled in providing specific advice to the chief executive officer compared to inside director but in contrast have a high degree of independence which is a criteria when exercising control. An affiliated director may be good at supplying resources but may lack independence from chief executive officer. Dalton et al. (ibid), hypothesis that it's unclear today whether or not there is an optimal board composition with regard to board independence but overall there seems to be strong evidence that no significant relationship exists between board independence and firm performance.

Board Size and Firm Performance

Board size influences the performance of a firm. Small board size is believed to improve the value of the firm because the benefits by large boards of increased monitoring are out weighed by the poorer communication, coordination and decision making of larger groups. Lipton and Lorsh (1992) recommended an optimal board members between seven and nine. There has been some argument on why small boards might be more effective than large boards. Dalton et al. (ibid) summarizes the arguments as thus social loafing which refers to individuals putting in less effort when the size of the group increases. Group cohesiveness is that force or power that brings groups closer together that may be facilitated by having smaller groups. A third agreement is that a board's ability to initiate strategic actions can be militated in a large group. In addition, smaller groups are more easily able to reach agreement and finally large boards may be more easily manipulated when it comes to performance assessment of top management. According to Yermack (1996), co-ordination communication and decision making problems increasingly hinder firm's performance when the number of directors increase. Small board size are positively related to high firm value (Mak and Kusnadi, 2005). In study carried in Nigeria Sanda et al. (2005) discussed that value of firm is positively correlated with small board as opposed too large board. Also high is the cost of co-ordination and problem processing which makes decision making quite cumbersome.

Smaller board tends to reduce the possibility of free riding and therefore have the propensity to enhance the performance of the firm. The size of the firm is measured by the number of directors serving on such boards and expect this to have a negative relationship with firm performance. large boards could provide the diversity that would help firms to secure critical resources and environmental uncertainties (Pfeffer, 1987: Pearce and Zahra, 1992: Goodstein et al; 1994). Other theories also suggested that large boards more effective than small boards. Dalton et al. (1999) summarized a set of argument mainly using resource dependence theory in support of this idea and resource dependence is based on the notion that firms are dependent on each other for resources. Board size can therefore be viewed as a measure of the firms ability to form links important to secure critical resources such as external funding or contracts. Coles et. al (ibid) argued that chief executive officer's of large firms, diversified firms and a high debt firms need more admonishment from the board at directors and therefore requite larger boards. In a study conducted by Coles, Daniel and Naveen (2008), the relationship between board size and firm performance in smaller firm is negative while that of large firm is positive relationship. Studies on board size and firm performance seen to come to different conclusions as some see a positive relationship while some see a negative relationship.

Board Diversity and Firm Performance

The word diversity can best be comprehended are the paradigm of discrimination and fairness both through programs such as affirmative action that attempts to choose from underrepresented groups and through a number based approached where statistics are the most vital tool (Thomas and Ely, 1996. Good diversity then means having a healthy number of employees from minority backgrounds with different sexual preferences and form various age range. Another perspective, from which diversity can be understood, is through the paradigm that diversity is simple good business because it conforms with legal requirements or with the views of shareholders and customers. Women are the most visible example of diversity as they consist of 50 % of the population everywhere but there has been a continual advancement of the positions attainable by women from the Glassceilind which is idea that women cannot pass from lower/middle management into boards and top management. There is now strong international debate on how to diversity the boards of directors (Adams and Ferreira, 2009). 14.8% of directors were women in fortune 500 board seats in 2007 and between 1990 to 1999 the directors of women in board seats has increases from 5.6 % to 12.3% (Farrell and Hersch, 2005) and was more higher in the United State than in all other geographic regions with Europe at 8 % in 2004 (Adams and Ferriera 2009). It was also observed that in Sweden, women directors in companies listed on the OMX Stockholm exchange in 2009 were 20 % (Folksam, 2010).

Another paradigm which is that of access and legitimacy states that companies can become more integrated in communities by mirroring them and that diverse workforce can help the company gain access to new markets or segments (Thomas and Ely, 1996). Under the access and legitimacy paradigm, the firm itself is the agent and it's considered to be unchanged by those employed policy making and corporate culture are seen as top-down are seen as top-down process.

However, Shrader, Blackburn and Lles (1977) investigated a relationship that exist between the member of female board members in some 200 fortune 500 firms and two financial measures of firm value. They speculated that discrimination under utilizes the internal resource, meaning that gender diversity should be a competitive advantage, they found a significantly negative relationship between the percentage of women on the board and firm value and no positive relationship between the number in top management and firm value. Marinova, Plantenga and Danish firms in quest for to positive correlation between gender diversity and firm performance but no empirical evidence was found for a positive correlation between gender diversity and firm performance.

Cater et at. (2010) found seven empirical studies on gender diversity, one on ethnic diversity and the other on both gender ethnic diversity but the results were mixed inconclusive and as such needed more research. Having discovered in their study of US boards that there was no correlation between gender or ethnic diversity and firm performance, there was no business case for increased gender and ethnic diversity on boards and that the inclusion of female and minority members on corporate boards should be based on criteria other than gender and ethnicity Carter et. al (ibid).

However, it has been found that gender diversity on the boards has been reported as significantly positive, significantly negative and insignificant.

Research Methodology

Model Specification

In the light of above methodological knowledge gathered, empirical literature in our previous chapters and to adequately capture and analysis empirically the impact of diversity on firm performance, we specified a multiple regression model based on the ordinary least square (OLS) technique. By definition, ordinary least square residuals is the data set and the residuals predicted by the liner approximation. The assumption is that the dependent variable is a liner function of the independent variables. The form of the model is express as follows.

Firm P = F (Board Diversity, Board Size, Board Independence)

The empirical form of the model is written as: $FIRM = \alpha + \beta_1 \text{ DIVE.}_{it} + \beta_2 \text{ SIZE}_{it} + \beta_3 \text{ BOADINDP}_{it} + \xi_t$

Table 1: Definition of Variables and Expected Signs.

Variables	Apriori Sign	Explanation
FIRM PERFORMANCE FIRM P		RETURN ON TOTAL ASSET ROTA
BOARD DIVERSITY DIVE	+	This is proxy by the ratio of female in board and the total number of board. Increased board diversity may be means to increase board independence (Thomen et al, 2006; Adams and Ferreira, 2008) especially in relation to gender diversity the fact that female directors never belong to the “old boys club” by implication, female directors may more strongly correspond to the concept of independent directors.
BOARD SIZE SIZE	-	This is the number of board of directors in a firm
BOARD INDEPENDENCE BOADINDP	+	The composition of board members is also proposed to help reduce the agency problem (Weisbach, 1988; Hermalin and Weisbach, 1991). Board independence is best defined as the proportion of non executive directors divided by total board size. There is no significant relationship expected between board independence and firm performance.
Ξ		Error term or residual

Method of Data Analysis

The nature of this study necessitated the use of secondary data. These data are obtained from the Nigeria stock exchange (NSE).

The method of analysis to be adopted is a regression analysis on linear multiple model based on ordinary least square (OLS) technique to analyze and evaluate the impact of board diversity on firm performance in Nigeria. Ordinary least square method will be relied upon because it has the best linear unbiased estimate properties which help in minimizing the sum of squared residuals.

Data Presentation and Analysis Descriptive Statistics

Table 2: Descriptive Statistics

	BS	EXEC	NONEXES	MALES	FEMALES	ROTA	DIVE	BOARDIND
Mean	11.58621	4.56207	7	9.758621	1.827586	0.371069	0.140519	0.6137
Median	11	4	7	9	2	0.288	0.153846	0.6
Maximum	20	11	11	19	5	0.972	0.454545	0.909091
Minimum	5	1	1	5	0	0.034	0	0.2
Std.Dev.	4.13524	2.692811	2.577374	3.225514	1.415954	0.27182	0.106847	0.165893
Skewness	0.147271	0.618173	-0.114637	0.734722	0.23283	0.664482	0.487926	0.225951
Kurtosis	2.233156	2.69038	2.560007	3.623057	2.203925	2.203459	2.203459	3.710805
Jarque-Bera	0.815389	1.962881	0.297443	3.078191	1.027778	2.900753	1.761181	0.24701
Probability	0.665182	0.374771	0.861809	0.214575	0.598165	0.234482	0.414538	0.883817
Observation	30	30	30	30	30	30	30	30

The table above shows the descriptive statistics of the variables used. The minimum Board Size (BS) is about 5 members while the maximum Board Size (BS) is about 20 members. On average the Board Size (BS) is about 11 members. The minimum ratio of outside directors (BOARDIND) is about 20% members while the maximum ratio of outside directors is about 90%. On average the ratio of outside directors is about 61 %. The minimum Return on Assets (ROTA) is about 3 % while the maximum Return on Assets (ROTA) is about 97%. On average the Return on Assets (ROTA) is about 37%.
The minimum number of women on the board is about 0 members while the maximum number of women on the board is about 5. On average the number women on the board is about 1. The minimum number of men on the board is about 5 members while the maximum number of men on the board is about 19. On average the number of men on the board is about 9.

The minimum ratio of women on the Board (DIVE) is about 0 members while the maximum ratio of women on the board is about 45 %. On average the ratio of women on the board is about 14%.
The Jarque Bera statistics shows that most of the variables used in the study are normally distributed.

2.3 **Correlations Analysis**

The result from the correlation analysis is presented below:

Table 3: Correlation Matrix

	BS	EXEC	NONEXEC	MALES	FEMALES	ROTA	DIVE	BOARDIND
BS	1	0.773375	0.749201	0.946547	0.678287	0.45361	0.481847	-0.1718223
EXEC	0.773375	1	0.159522	0.728223	0.533256	0.60357	0.332521	-0.712232
NONEXEC	0.749201	0.159522	1	0.713138	0.499098	0.07575	0.402925	0.476566
MALES	0.946547	0.728223	0.713138	1	0.40501	0.4516	0.184984	-0.154136
FEMALES	0.678287	0.533256	0.499098	0.40501	1	0.2579	0.944404	-0.135915
ROTA	0.453605	0.60357	0.075753	0.4516	0.257002	1	0.1693	0.434408
DIVE	0.481847	0.332521	0.402925	0.184984	0.944404	0.1693	1	-0.038529
BOARDIND	-	-0.71223	0.476566	-0.15414	-0.135915	0.434408	-0.3853	1

	0.171823							

Source: E-View Output (2011)

The table shows that the co-efficient of correlation of a variable with respect to itself is 1.000. This indicates that there exists a perfect correlation between a variable with respect to itself. The correlation co-efficient between the dependent variable and independent variables are discussed below:

i. There exists a positive relationship between ROTA and BS with a value of 0.45 which means the strength of relationship between them is about 45% which shows a fairly weak positive relationship between board size and firm performance. An increase in board size would lead to an increase in firm performance.

ii. There exists a positive relationship between ROTA and BOARDIND with a value of 0.43 which means the strength of relationship between then is about 43 % which shows a weak positive relationship between board independent and firm performance. An increase in board independent would lead to an increase in firm performance.

iii. There exists a positive relationship between ROTA and DIVE with a value of 0.16 which means the strength of relationship between them is about 16% which shows a weak positive relationship between board diversity and firm performance. The more female on the board would lead to an in firm performance.

3.4 Regression Analysis

The result from the Ordinary Least Square regression analysis is presented below.

Table 4: Ordinary Result Least Square Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.311258	0.232059	1.341292	0.1919
BS	-0.027876	0.012773	-2.182377	0.0387
BOARDIND	0.598629	0.270990	2.209046	0.0366
DIVE	0.109668	0.473032	0.231840	0.8185

R-squared	0.338116	Mean dependent Var.	0.371069
Adjusted R-square	0.258690	S.D. dependent Var.	0.271820
S.E. of regression	0.234035	Akaike info criterion	0.060753
Sum of Square Resid.	1.369314	Schwarz criterion	0.249345
Log likelihood	3.119082	F-statistic	4.256987
Durbin Watson stat	2.942469	Prob. (F-statistic)	0.014676

Source E-Views output (2011)

The coefficient of determination (R-square) with a value of 0.33 means the about 33% o of the total systematic variations in the firm performance on the Nigeria stock exchange have been explained by the explanatory variables namely proportion of females on the Board (DIVE), Board Size (BS), and Board Independence (BOARDIND) The adjusted R-square shows that after adjusting for the degree of freedom the model could still explain only about 25% of the total systematic variations in the firm performance on the Nigeria Stock Exchange, while about 75% of the systematic variation in the firm performance on the Nigeria Stock Exchange was left unaccounted for by the model which has been captured by the stochastic disturbance term in the model. This indicates a poor fit of the regression means that other factor that could explain variations of the firm performance on the Nigeria Stock Exchange was not included in the model. The Durbin Watson statistics of 2.9 indicates the presence of first order autocorrelation of the stochastic variables inside the error term in the model.

On the basis of the overall statistical significance of the model as indicated by the F-statistics, it was observed that the overall model was statistically significant since the calculated F-value of 4.2 was greater than critical F-value at 1% level of significance. This shows that there exist a significant linear relationship between the firm performance on the Nigeria Stock Exchange and all the explanatory variables taken together.

On the basis of the individual statistical significance, as shown by t-ratio in the table above, it was observed that BS and BOARDIND was statically significant since the calculated t-value of 2.18 and 2.2, was greater than the critical t-value at 5% level of significance under the two tailed test. This implies that Board Size (BS), Board Independence (BOARDDIND) has a significance impact on the performance of firms quoted on the Nigeria Stock Exchange while proportion of females on the board (DIVE) has no significant impact on the performance of firms quoted on the Nigerian Stock Exchange.

In order to improve on the ordinary least square regression result a higher order estimating technique was adopted using the Cochrane orcutt iterative techniques. The result presented below:

Table 5: Result from Cochrane convergence achieved after 7 iterations

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.321907	0.174589	1.843799	0.0781
BS	-0.0318220	0.009620	-3.308472	0.0031
BOARDIND	0.648615	0.200500	3.234983	0.0037
DIVE	0.161899	0.372520	0.434605	0.0112
AR(1)	-0.506713	0.183666	-2.758887	0.0112

R-squared	0.488330	Mean dependent Var	0.379607
Adjusted R-square	0.399344	S.D. dependent Var	0.272819
S.E. of regression	0.211440	Akaike info criterion	0.109317
Sum square resid	1.028260	Schwarz criterion	0.128577
Log likelihood	6.530433	F-statistic	5.487718
Durbin Watson stat 1.	744589	Prob (F-statistic)	0.002978

Source E-Views output (2011)

The coefficient of determination (R-Square) with a value of 0.488 means that about 49% of the total systematic variations in the firm performance on the Nigeria Stock Exchange have been explained by the explanatory variables namely proportion of females on the Board (DIVE), Board Size (BS), and Board Independence (BOARDIND) The adjusted R-square shows that after adjusting for the degree of freedom the model cloud still explain only 40% of the total systematic variations in the firm performance on the Nigeria Stock Exchange, while about 60% of the systematic variation in the firm performance on the Nigeria Stock Exchange was left unaccounted for by model which has been captured by the stochastic disturbance term in the model. This indicates a poor fit of the regression line which means that other factor apart from corporate governance that could explain variations of the firm performance on the Nigeria Stock Exchange was not included in the model. The Durbin Watson statistic of 1.74 indicates the absence of first order autocorrelation of the stochastic variables inside error term in the model which was confirmed with the Breusch-Godfrey Serial Correlation LM Test (See appendix)

On the basis of the overall statistical significance of the model as indicated by the F-statistic, it was observed that the overall model was statically significant since the calculated F-value of 5.48 was greater than the critical F-value at 1% level of significance. This shows that there exists a significant linear relationship between the firm performance on the Nigeria Stock Exchange and all the explanatory variables taken together.

On the basis of the individual statistical significance, as shown by the t-ratio in the table above, it was observed that BS and BOARDIND was statistically significant since the calculated t-values of 3.3 and 3.2, was greater than the critical t-value at 5% level of significance under the two tailed test. This implies that board Size (BS), Board Independence (BOARDIND) has a Significant impact on the performance of firm quoted on the Nigeria Stock Exchange while proportion of female on the Boasrd (DIVE) has no significant impact on the performance of firms quoted on the Nigeria Stock Exchange.

The result showed that there exit a direct relationship proportion of females on the Board (DIVE), and Board Independence (BI) with firm performance. Only Board Size (BS) showed an inverse relationship with firm performance.

Hypothesis 1

There is a negative relationship between board size and firm performance.

The empirical result reveals that BS with a calculated t-value of -3.3. Is greater than the critical t-values of 2.0 at 5$ % level of significance under the two-tailed test.

Hence, we accept the null hypothesis which states that there is a negative relationship between board size and firm performance.

Hypothesis 2

There is a positive relationship between board diversity and firm performance

The empirical result reveals that DIVE with a calculated t-value of 0.43 is less than the critical t-values of 2.0 at 5% level of significance under the two-tailed test.

Hence, we accept the null hypothesis which states that there is a positive relationship between board diversity and firm performance.

Hypothesis 3

There is a positive relationship between board independence and firm performance.

The empirical result reveals that BI with a calculated t-value of 3.2 is greater than the critical t-values of 2.0 at 5 % level of significance under the two- tailed test. Hence, we accept the null hypothesis which states that there is a positive relationship between Board Independence and firm performance.

Summary of Findings

In the course of this research, various literatures were reviewed as they relate to board diversity and firm performance in Nigeria. To this end, an empirical analysis was carried out to examine how board diversity has affected the performance of firm in Nigeria using the regression analysis based on the ordinary least square techniques. Samples of some quoted companies in Nigeria were analyzed and the results showed that:

1. There exist a positive relationship between board diversity and firm performance i.e. the more female an organization has on the board would lead to an increase in the performance of the firm.
2. The regression analysis shows a weak fit at the regression line which means that other variable are required to explain the variations of the firm performance that was not included in the model.
3. From the findings of this study, an increase in board independence would lead to an increase in firm performance although the strength of relationship between these variables show that it's weak.
4. There exist a fairly weak positive relationship between board size and firm performance. It observed also that an increase in board size would lead to an increase in firm performance.

Recommendations

The study made the following recommendations

1. It is suggested that other researcher should consider other variables that were not included in the model in other to better explain variations of the firm performance on the Nigeria stock exchange market.
2. There should be an increase in the number of females in the board as it'll offer greater innovativeness, greater creativity, better quality decision making and eventually greater firm performance.
3. It is also suggested that since board of directors are directly involved in issuing, restructuring, takeover exercises, introducing measures, introducing measures to enhance regulatory, transparency, accountability and independence therefore, the principle of good governance. Should not ignore the relevance of heterogeneity in reshaping board members commitment in ensuring that firms are on the right track.

Conclusion

Generally, diversity contributes positively towards organizational performance as revealed by this research work. This study analyses the relationship between board diversity and firm performance and represented board diversity by the presence of female directors on the board. Some samples of Nigerian quoted companies that were analyzed revealed that board diversity has a positive impact on the performance of firm in Nigeria. Hence, more females on the board of directors will lead to increase in firm performance by helping organizations gain access to new markets or segments (Thomas and Ely, 1996) and it will also assist in discouraging discrimination which tend to under utilize the internal resources of the firm.

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Appendix

	BS	EXEC	NONEXEC	MALES	FEMALES	ROTA	DIVE	BOARDIND
Mean	11.58621	4.586207	7.000000	9.758621	1.827586	0.371069	0.140519	0.613700
Median	11.00000	4.000000	7.000000	9.000000	2.000000	0.288000	0.153846	0.600000
Maximum	20.00000	11.00000	11.00000	19.00000	5.000000	0.972000	0.454545	0.909091
Minimum	5.000000	1.000000	1.000000	5.000000	0.000000	0.034000	0.000000	0.200000
Std. Dev.	4.013524	2.692811	2.577374	3.225514	1.415954	0.271820	0.106845	0.165893
Skewness	0.147271	0.618173	-0.114637	0.734722	0.232830	0.664482	0.487926	-0.225951
Kurtosis	2.233156	2.690318	2.560007	3.734722	0.232830	0.66482	0.487926	-0.225951
Jarque-Bera	0.815389	1.962881	0.297443	3.078191	1.027778	2.900753	1.761181	0.247010
Probability	0.665182	0.374771	0.861809	0.214575	0.598165	0.234482	0.414538	0.883817
Observa-tion	30	30	30	30	30	30	30	30

	BS	EXEC	NONEXEC	MALES	FEMALES	ROTA	DIVE	BOARDIND
BS	1.000000	0.773375	0.749201	0.946547	0.678287	0.453605	0.481847	-0.171823
EXEC	0.773375	1.000000	0.159522	0.728223	0.533256	0.603574	0.332521	-0.712232
NOMEXEC	0.749201	0.159522	1.000000	0.713138	0.499098	0.075753	0.402925	0.476566
MALES	0.946547	0.728223	0.713138	1.000000	0.405010	0.451603	0.184984	-0.154136
FEMALES	0.678287	0.533256	0.499098	0.405010	1.000000	0.257002	0.944404	-0.135915
ROTA	0.453605	0.603574	0.075753	0.451603	0.257002	1.000000	0.169298	0.434408
DIVE	0.481847	0.332521	0.402925	0.184984	0.944404	0.169298	1.000000	-0.038529
BOARDIND	-0.171823	-0.712232	0.476566	-0.154136	-0.135915	0.434408	-0.038529	1.000000

Dependent Variable: ROTA
Method: Least Squares
Date: 12/20/11 Time: 05:43
Sample (adjusted): 1 29
Included observations: 29 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.311258	0.232059	1.341292	0.1919
BS	-0.27876	0.012773	-2.182377	0.0387
BOARDIND	0.598629	0.270990	2.209046	0.0366
DIVE	0.109668	0.473032	0.231840	0.8185

R-squared	0.338116	Mean dependent var.	0.371069
Adjusted R-squared	0.258690	S.D. dependent var.	0.271820
S.E. of regression	0.234035	Akaike info criterion	0.060753

Sum square resid	1.369314	Schwarz criterion	0.249345
Log likelihood	3.119082	F-statistic	4.256987
Durbin-Watson stat	2.942469	Prob.(F-statistic)	.0146756

Dependent Variable: ROTA
Method: Least Squares
Date: 12/20/11 Time: 05:45
Sample (adjusted): 28 after adjusting endpoint
Convergence achieved after 7 iterations

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.321907	0.174589	1.843799	0.0781
BS	-0.31827	0.009620	-3.308472	0.0031
BOARDIND	0.648615	0.200500	3.234983	0.0037
DIVE	0.161899	0.372520	0.434605	0.6679
AR(1)	-0.506713	0.183666	-2.758887	0.0112

R-squared	0.321907	Mean dependent var.	0.379607
Adjusted R-squared	0.399344	S.D. dependent var.	0.272819
S.E. of regression	0.211440	Akaike info criterion	-0.109317
Sum square resid	1.028260	Schwarz criterion	0.218577
Log likelihood	6.530433	F-statistic	5.487718
Durbin-Watson stat	1.744589	Prob.(F-statistic)	0.002978

Inverted AR ROOTS

Breusch-Godfery Serial Correlation LM Test:

F-Statistic	0.363356	Probability	0.699625
Obs*R-squared	0.936539	Probability	0.626085

Test Equation:
Dependent Variable: RESID
Method: Least Squares
Date: 12/20/11 Time: 05:44

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.01997	0.181502	0.066096	0.9479
BS	0.000253	0.009962	0.025432	0.9800
BOARDIND	-0.007241	0.208239	-0.034775	0.9726

DIVE	-0.083619	0.397856	-0.210175	0.8356
AR(1)	-0.651035	0.787357	-0.826862	0.4176
RESID (-1)	0.703891	0.835225	0.842757	0.4089
RESID (-2)	-0.353249	0.455069	-0.776254	0.4463

R-squared	0.033448	Mean Dependent var	-2.04E-11
Adjusted R-squared	-0.242710	S.D. Dependent var	0.195150
S.E. of regression	0.217548	Akaile info criterion	-0.000480
Sum of squared resid	0.993867	Schwarz criterion	0.332572
Log likelihood	7.006713	F-statistic	0.121119
Durbin – Watson stat	1.87013Prob	(F-statistic)	0.992592

NAME OF FIRMS	BOARD SIZE	EXECUTIVE DIRETORS	NON-EXECUTIVE DIRECTOR	MALES	FEMALES	ROTA	DIVE	BOARDIND
First Bank	15	8	7	12	3	0.132	0.2	0.4666667
HIS Nigeria Plc	5	4	1	5	0	0.751	0	0.2
Pharmo Deko Plc	10	4	6	9	1	0.241	0.1	0.6
Golden Penny Plc	13	2	11	10	3	0.488	0.230769	0.8461538
Dangote Flour Milk plc	10	3	7	9	1	0.665	0.1	0.7
Diamond Bank Plc	14	9	5	11	3	0.159	0.214286	0.3571429
Ecobank Plc	15	9	6	12	3	0.082	0.2	0.4
FCMB Plc	13	5	8	11	2	0.196	0.152846	0.6153846
Wema Bank Plc	7	3	4	6	1	0.317	0.142857	0.5714286
UBA	20	9	11	19	1	0.064	0.05	0.55
Union Bank Plc	14	5	9	11	3	0.034	0.2142857	0.5714286
Intercontinental Bank Plc	16	5	11	14	2	0.287	0.125	0.6875
Skye bank Plc	18	7	11	15	3	0.364	0.16667	0.6111111
Unity Bank Plc	15	6	9	11	4	0.103	0.26667	0.6
Stanbic IBTC	18	11	7	14	4	0.261	0.222222	0.3888889
Guarantee Trust Bank Plc	14	6	8	12	2	0.11	0.142857	0.571486
TCN	11	1	10	9	2	0.827	0.181818	0.5454545
Unilever Plc	11	5	6	9	2	0.827	0.181818	0.9090909
UAC	10	4	6	8	2	0.108	0.2	0.6
FIDSON	8	4	4	8	0	0.306	0	0.5
MAY & BAYER	6	3	3	6	0	0.288	0	0.5
EVANSMEDICAL	11	4	7	6	5	0.615	0.454545	0.6363636
Big Treat	9	2	7	7	2	0.322	0.222222	0.7777778
GUINNESS	14	4	10	11	3	0.729	0.214286	0.7142857
Cadbury	7	2	5	7	0	0.832	0	0.7142857
NIWIL	5	1	4	5	0	0.551	0	0.8
UTC	7	1	6	7	0	0.551	0	0.8571429
NBC	9	1	8	9	0	0.972	0	0.8888889
NEIMETH	11	5	6	10	1	0.185	0.090909	0.5454545

Democratization and the Crisis of Ethnicity in Nigeria

Mohammed – Hashim Yunusa, Ph.D

Abstract

As countries all over the world are returning to democracy, there is the belief that democratic government is a panacea to the world socio-economic and political crises. The Nigerian government had suffered elongated tortous transitions to civil rule and democracy. Many reasons accounts for the paralyses of Nigerian's democratization processes, but that which is captured in this paper is the crisis of ethnicity as it affects democratization in Nigeria. The paper identifies the cause of ethnicity in Nigerian politics as. The activities of the colonial masters (amalgamation of southern and Northern protectorates in 1914), divide –and –rule tactics, religious and sectional conflicts, dependent, neo-colonial and exploitative economic system, political appointment, socio-political differences and domination. Its effects are: it generate conflicts, the military used ethnicity to perpetuate its hold to power in Nigeria. It denote the de-legitimacy of governance by the state, marginalization. As a way out, it is recommended that: there is need for fact and careful consideration of local problems to generate appropriate indigenous democratic solution. There is need for home-grown solutions to power-sharing. There is need to build values, consensus and toleration. Ethnicity should not be used by politicians to gather political support. The military should remain strict to their constitutional responsibilities. Finally, there should be more to the Nigerian citizenship than the mere accident of being born in the geographical area called Nigeria.

Keywords: Ethnicity, Democratization, Democracy, Conflict, Violence.

Introduction

The biggest obstacle to Nigeria's political stability and national integration is seen by many to lie in its ethnic diversity (Nkom; 1994). According to Onwuejeogwu (1987) of the 1000 or so ethnic groups or nationalities found in Africa, over 300 are to be found in Nigeria. This multi-ethnic diversity has made Nigeria a unique and grotesque example of a country suffering from "Hyper-ethnic instability syndrome." Using "ethnic group" to refer to all nationalities in the world, Onwuejeogwu argues that in comparison with Nigeria:

"Russia (USSR) has about 27 ethnic groups; China and India have more than forty; the USA has less than fifty, excluding the red Indians; England has three; France about eight; and Germany about fifteen. The only place in the world that has over 300 ethnic groups is Nigeria. This uniqueness creates unique problems unknown to the experience of other peoples in the world. No western or eastern civilization has ever evolved a political system that can cope with this gigantic problem of hyper-ethnic instability syndrome (consequently) we just have to look inward".

Instead of hoping to find the answer in the socio-political arrangements in any other country (Onwuejeogwu 1987).

Writing about four decades earlier, Awolowo had argued that "Nigeria is not a nation" but a mere "geographical expression" whose constituent units differed so widely in their languages, cultural backgrounds, social outlooks and indigenous political institutions than a sense of belonging, national loyalty and common identity was completely absent (Awolowo; 1947). Unfortunately, this could be said of most other African countries at the time (Nkom; 1994).

Providing a theoretical framework for this kind of reasoning, Professor O. Connell (1967) put forward the thesis of the inevitability of instability in Africa's artificially created ethnically diverse young nations. This thesis can be collapsed into three major arguments; firstly, that the boundaries of African nations were drawn arbitrarily by colonial powers and that the ethnically and politically

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diverse peoples grouped together under these artificial boundaries were only held together by the force of a powerful, authoritarian and external colonial power; secondly, that these ethnic divisions and social cleavages re-asserted themselves very powerfully as the competition for state power and other public resources heated up just before and after independence; and thirdly, that the political elites who inherited power from the departing colonial rulers, having themselves been brought up under the authoritarian tradition of the colonial state, and having come to power under various ethnic platforms, lacked the competence, democratic skills and managerial ability to handle these ethnic conflicts (plus the normal tensions generated by the process of modernization), and so fell back on gargantuan corruption and the ethnic politics of divide-and-rule in order to survive in power.

One major conclusion which has been drawn by the proponents of this school of thought, or which is implicitly derivable from their analysis, is that these ethnic and social tensions will continue to be with us for a very long time; and that regardless of the deliberate policies and affirmative actions which governments may evolve to deal with this problem, multi-ethnic African nations where Nigeria is one will have learn to put up with this problem until years or even centuries of nationhood, economic development and social progress begin to melt down these ethnic and social divisions, giving way to a new consciousness of common identity and national loyalty. While appearing quite sound on the surface, this fatalistic assumption of a natural healing of the wounds of ethnic and social division with time, might in fact, prove erroneous, given the resurgence of ethnic and national tensions in the older and more developed nations of the worlds, such as the United Kingdom, Belgium, Spain and Canada (Nkom; 1994).

In the global world, where the happenings in some of the states/nations mentioned above flows to the developing countries (Nigeria inclusive), attempt at democracy (democratization) is bedeviled also by ethnic tensions. The focus of this paper therefore is to discuss democratization and the crisis of ethnicity in Nigeria. To do this, the paper is structured into five parts. Part one is the introduction. Part two is the conceptual and theoretical issues. Part three is the causes of ethnicity in Nigerian politics. Part four is democratization crisis in Nigeria. Part five is the conclusion and recommendations.

Conceptual and Theoretical Issues

Ethnicity refers to the relationship between groups (known as tribes) whose membership consider them distinctive and these groups may be ranked hierarchically within a society. In Nigeria, Hausa, Igbo and Yoruba are the three (3) major ethnic groups (Leith and Solomon; 2004). To Diamond and Plattner (1994), ethnicity means a highly inclusive (and relatively large scale) group identity based on the nation of common origin recruited primarily from Kinship, and capital manifested. Some measure of cultural distinctiveness. Ethnicity focuses more on sentiment of origin and descent rather than the geographical consideration of a state (Leith and Solomon; 2004). Thomson (2005) in this direction argued that it is more pronounced when it is used to distinguish one social group from another within a specific territory. Timothy (2004) argued that, the term ethnicity is a highly contested concept; it often refers to cultural, religious and linguistic identities. He further stressed that, the politicization of ethnicity perpetuate logic of exclusion which breeds fear for victimization. Politicized ethnicity can undermine the cohesion of the state. If the states opt for force and manipulation to exert compliance, the ingredient of ethnic conflict are then in place continued coercion by state solidifies politicized ethnicity, which can ultimately lead to the disintegration of the state (i.e. Somalia, Ethiopia, etc). The above idea is relevant to this paper because it would serve as the basis for understanding the level at which ethnicity is politicized in Nigeria and the extent to which the explosive ethnic crisis affects democratization in Nigeria.

Democratization may be defined as the process of moving from an authoritarian system to a democratic political system. While such a process may be dictated by the geographic, demographic, cultural and past experiences of a given polity, today’s world of interdependence, allows us to use countries with similar experiences as blue prints or models for achieving our democratic goals. Perhaps, the most difficult aspect of democratization is understanding the intricacies of democratization and doing something about it (Osaghae; 1994). There is no amount of constitutional innovation that would guarantee sustainable democracy without first laying the groundwork that is receptive to such innovation (Osaghae; 1992).

Democratization entails element of change from the existing governmental structure to a more freedom based organization where participation at the central and local levels should enhance national vitality and integration. There are several tenets in the democratic continuum. To conduct competitive elections is not a yardstick for measuring democracy. While there are several reasons why democratization might fail in Nigeria, building value, consensus, toleration of differences in political ideologies, undifferentiated political ideologies, the development of political efficacy and trust, could create a situation for sustaining democracy in Nigeria (Osaghae; 1994).

According to Oyetide in Akinyele et al (1991), democratization connotes political liberalization of the avenues of decision making. It is a process which attracts the participation of the greatest number of the citizenry in political decision-making. The manifest prevalence of political institutions is salient to the process of attaining economic development.

The persistence of politicized ethnicity in contemporary Africa (Nigeria inclusive) cannot be over-emphasized. This is evidenced by a plethora of literature specific to this subject which has been produced in recent years. Moreover, currently, a number of studies of the ethnic problem have been commissioned by African research institutions and are being undertaken by many a serious scholar from Africa itself as more and more are now willing and prepared to look at the problem of ethnicity squarely in the face and from many and varied theoretical perspectives (Sithole cited in Omoruyi; 1994).

With regard to explanations of politicized ethnicity in Africa and Nigeria in particular, there has been two dominant perspectives or paradigms, namely, the “modernization” and “Marxist” schools of thought, each holding sway at one time or the other. There used to be a time when African scholarship was dominated by the Marxist paradigm in the analysis of African politics and society. This was due to the presumed failure of the so-called “modernization school” to satisfactorily explain the ethnic phenomenon. Particularly its persistence and intensification in recent years (Sithole cited in Omoruyi; 1994).

The modernization school was dominant for a decade during the late 1950s and early 1960s. It suggested in its optimism, that ethnicity was a product of traditional society and as such it was defined to disappear as “tradition” gives way to “modernity”. The “Charismatic” leader and his mass movement or party, was identified as the catalyst (if not the engine) for this “great leap forward” from tradition to modernity (Omoruyi; 1994). The modernization school gave way to the intellectual hegemony of the Marxist or neo-Marxist school which sought to explain the origin or cause of politicized ethnicity in African society in class terms; that ethnicity in Africa was a class invention. First by colonialists or imperialists ostensibly for “divide, conquer and exploit” purposes and secondly, by the “petty bourgeois” element in the nationalist leadership, for the same ends and effects. The Marxist or class paradigm held sway (Sithole in Omoruyi; 1994).

The Causes And Incidence Of Ethnicity In Nigeria Politics

In the words of Badmus and Ddubajo (2005), ethnic conflicts in Nigeria are by no means a recent phenomenon. The genesis of ethnic conflicts is embedded in the initial structuring of the nation-state as established by the former British colonialists. The seeds of ethnic conflicts were sown at the Berlin Conference of 1884-1885, which eventually resulted in partitioning of the African continent and germinated in 1994 with the amalgamation of the East-While Northern and Southern protectorates into one Nigeria. As a result, Nigeria emerged in 1960 as a sovereign entity made up of medley of groups that are considerably different in culture, ethnicity, political system and social structure.

In what Nkom (1994) tagged “The Divide-and-rule tactics of the Elites”, he said; an even more school of thought argues that the mere existence of a variety of ethnic groups does not create political instability, social tension and cultural disharmony. The various ethnic groups in Nigeria share so many common attributes, traditions, customs and “Virtuous elements” which could be tapped for social cohesion, national integration and development.

In the words of Shehu Musa, former secretary to the federal government: as we are sitting down around this table, millions of ordinary Nigerian traders-Hausas, Ibos, Yorubas, Nupes, Ibibios, Ijaws, Kanuris, Tivs, etc. are mixing happily together in our various markets and trading centres throughout the country transacting their legitimate businesses without the slightest total of bitterness or acrimony. They are bound together by the common urge to survive in a difficult economic situation (Musa; 1983).

It is argued that not enough research and policy attention has been paid to identifying, harnessing and utilizing these common elements for building social harmony and national unity. Through in-depth research, Nigeria could evolve an indigenous system of socio-political management and governance “that would coalesce the best features” of our various indigenous societies (Musa; 1983). However, due to a highly entrenched “colonial mentality” especially among the “educated elites”, Nigeria has continued to sheepishly copy foreign ideas, norms, institutions and models in the vain hope that these would provide the answers to our problems.

This school of thought then proceeds to put the blame for the ethnic tensions, religious acrimony and sectional conflicts which have threatened Nigeria’s unity and social stability squarely on the shoulders of the educated elites, who, bubbling with “vaulting ambitions’, acquisitive tendencies and crass materialism have over the years exploited the ethnic and social divisions in the society to achieve their selfish ends. Even though a certain level of rivalry, competition and conflict has traditionally existed between ethnic groups in Nigeria, this conflict was mild manageable and healthy and could, in fact, be harnessed for development especially in the sphere of self-help community development activities where a certain degree of healthy rivalry between communities is functional. It is unfortunately, the “Cut-throat struggles” among the elites which have “tended to sour inter-ethnic relations and exacerbate our differences” (Musa; 1983).

Ethnicity in Nigeria cannot be divorced from the dependent, neo-colonial and exploitative economic system which the country operated (Dependent capitalist system). Historically, the British implanted a disarticulated and dependent neo-colonial capitalist economy in Nigeria and did all they could to exploit and deepen regional and ethnic differences in the country as a way of ensuring a firmer grip over the country’s resources both before and after independence. Unfortunately, the take indigenous elite class which was groomed to take over after independence was an unproductive and bankrupt class which was more concerned with “sharing” the crumbs falling from the master’s table than with addressing and transforming the inherited structures of the neo-colonial economy which put the commanding heights of the economy firmly in foreign hands. This preoccupation with sharing saw the various sections of the elites exploiting ethnic sentiments and divisions in an attempt to justify a bigger share of the “national cake” (Nkom, 1994). Simply by posturing as the leaders championing the “cause” of their “people”, these elites succeeded in enriching themselves without any basis in production, invention or industry.

As Henry Ejembi (1983) aptly summarized: “the basis for the creation and continued existence of the Nigerian ruling class is not in concrete material production. Rather, it is in the bandit-like waylaying of “capital in motions” fronting and midemanning for Transnational Corporations, forwarding and back-warding of commodities already produced in other countries, kickbacks from over inflated contracts, “commissions” of various descriptions and of course, outright theft of public funds. As such, the Nigerian bourgeoisie is a “peculiar” bourgeoisie in the sense that it has nothing to do with producing or with raising the level of development of the means of production (the productive forces) as its European/American counterparts did historically. As a result, therefore, we find that in the politics of the Nigerian bourgeoisie deciding the rules for sharing takes precedence over deciding on questions of production.

With this “sharing” mentality as the ethnic of its perception of public office, this bankrupt ruling class has found it convenient to fall back on ethnic manipulation and geopolitical divide-and-rule tactics to win or keep itself in power. Consequently, elections, census exercises, revenue allocation, state creation and even the keeping of statistics on school enrolment or the movement of nomads have been rigged, manipulated or given ethnic undertones in order to enhance chances for a bigger share of the 'national cake' notwithstanding the dangerous implications of this for development and national unity (Nkom; 1994) which are salient indicators of democracy.

Gambari (2004) buttressing the above argued that ethnicity is a board which the elite use to surf to power after which they discard the board, until they feel threatened when their adversaries begins to fresh waves. This means that the various military and civilian governments have sought to manipulate the federal system for their gains, not for national development or them easing of ethnic, religious or regional tensions. On the contrary, (Clerk, 2003) said cleavages among different groups have served the interest of the central government which can then expand and more directly exert it power. Gambari concluded that, ethnicity is the ultimate refuge of Nigeria's political elites.

In another perception, Odetunde (2005) agreed with Gambari that, politicians use combination of religion, ignorance, money and ethnicity to get at the electorate. Gaye (1999) argued in this direction that the factor of manipulations provides classic hot bids ethnic clashes. Thus, the ruling class consciously exploits the poison of ethnicism as a means of keeping the working class permanently divided and diverted their attention away from the real problems confronting them. This gives rise to periodic explosion of ethnic clashes. He further argued that, experience proves there is correlation between the class struggle and ethnicity as class consciousness over rides ethnic consciousness.

Conclusively, Edlyne (2005) has summarized an categorized the causes of ethnic conflicts into immediate and remote causes which include political animosity, political appointments, power struggle/religious differences, struggle over lands, settlement, socio-political differences/domination, politicizing Sharia, resource control/marginalization and oil politics or political domination. He further argued, these conflicts in all depict the re-alignment of political resource and the resurfacing of past animosities. But, more than this causative factors, these conflicts have been aided by the emergence of ethnic militia associations and militant youths on the scene i.e. (Yoruba) Bakassi and the Movement for the Actualization of the Sovereign State of Biafra (MASSOB Igbo), the Arewa People Congress (APC) Hausa/Fulani, the Chicoco Movement (Niger Delta).

The competition for political power in Nigeria has largely taken place within the framework of ethnic and regional divisions. This was surely the case during the first republic, second republic, abortive third republic and the present democratic government. Thus, politicized ethnicity presents an important obstacle to democratic consolidation especially when the majoritarian or first-past the post electoral systems are utilized (Timothy; 2004).

Buttressing the above, Onu (1994) said; the first attempt at democracy in Nigeria failed because of lack of trust among the ethnic groups. Ironsi's regime was overthrown because he and his policies were suspected. Gowon's regime collapsed and Murtala did not succeed either. Shagari's regime (a second attempt at democracy) was overthrown because he was accused of breaching public trust. Buhari regime which succeeded Shagari's was equally overthrown by Babangida and his men when the leaders could no longer trust themselves.

In the case of elections and voting, the emphasis is not on a democratically elected candidate who commands the respect and majority of votes cast but based on the ethnic origin of the candidates. In the process of research conducted by this author (1990) a secondary school from Bini, Edo state students told the research team that they should tell the government that the leadership of this country is not only meant for the Ibo's, Yorubas and Hausas. It was also found out that in 1979 and 1983 elections in Nigeria, the students voted along the same line with their parents and additionally, voted for the presidential candidates from their own ethnic groups. The Nigerian brand of democracy is counterfeit from many dimensions. Admission into universities is primarily based on ethnic origin and little in way of merit. The same with job opportunities. So our democracy is not the type that brings out the best in the individual and makes him realize his personality and potentialities (Onu; 1994).

Below is the table representing the incidence of ethnic crises in Nigeria since the re-birth of democracy in 1999 based on the data within my research.

S/n	Date	Location	Nature of Crisis
1.	31/05/1999	Warri – Delta	Political violent clash between the Ijaw and Itsekiri communities. The Olu of Warri and

			his subject did not recognize the new king appointed by the military administration (The News June 21, 1999; Pgs. 20-23).
2.	21/05/1999	Kafachan	Disturbance that ensued as a result of the installation of a new Emir of Jama'a, Alhaji M. Mohammed. The indigenes of southern Kaduna say, they denounced being ruled by the emirate system. This was however opposed by the Hausa's. Thirty people were killed and properties destroyed. The death toll rose to one hundred people the next day. People moved to safety zones, curfew imposed and anti-riot police were sent (The Guardian 24th and 25th May, 1999)
3.	6/03/1999	Escravos: Popo and Madandha	Hostilities between Ijaw and Itsekiri Youths. Ijaw youths in an attempt to rescue passengers on board a diesel vessel (belonging to an Ijaw man) that developed an engine problem mid-steam were allegedly attacked by an Itsekiri youth who claimed the vessel was in their territory. One soldier was wounded and five held hostage (the Guardian, 7/5/1999 Pgs. 6. On 30/5/1999, the crisis escalated the death toll rose to two hundred including four soldiers. 150 soldiers were deployed to the crisis area (The Graudian, 2/6/1999. Pgs. 1 and two).
4.	15/5/1999	Taraba	Cattle Fulanis and farmers clashed Karin Lamido and Sanusi village in Karin Lamido, 20 villages were burnt and many lives lost. In Sanusi village about 50 heads of cattle were killed (the standard, 17/6/1999, Pgs. 1 and 3).
5.	16/17/07/1999	Sagamu	A Hausa prostitute was alleged to have been killed by the Oro masquerade during their festival. There was no-go-out at order as from 12 midnight. The Hausas retaliated. About 100 people died in scores of others wounded. The police were accused of being lax. The Hausas fled to their ancestral home. President Obasanjo insisted and relief materials were given. Tell, 2/8/1999. This Day, 24/7/1999 Pgs. 15-19.
6.	22/7/1999	Kano	The fleeing Hausas back in Kano told states of woes leading to retaliatory attack on the Yorubas and other ethnic groups. Over 300 dead and properties worth millions destroyed. Relief materials were provided by the federal government when the president visited Kano. This day July 24 and 25, 1999, 9/8/1999. pg.20.
7.	9/8/1999	Oroto village, Ondo	Crises between the Ijaws and the Ilajes. Obasanjo ordered immediate deployment of soldiers to the area following the refusal of the two communities to embrace peace. The Ilajes were fighting to claim their land at Ajapa. 25 people lost their lives. Many sustained injuries. The president visited the feuding area. Relief materials were provided. This day, 9/8/1999. Pgs. 1 and 2.
8.	21/2/2000	Kaduna	Sharia War As Christians protest to peaceful demonstration to stop Kaduna state in its bid to introduce sharia in the state. An estimated 1000 people killed and properties worth millions were destroyed. Soldiers and anti-riot police were sent, Newswatch, 5/6/2000 Pgs. 35.
9.	3/4/2001	Oduum Ouaan Pan	Between the Tivs and Kwalla people. 40 lives were lost and properties destroyed. It was alleged to be a Fulani attack. The Fulani's claimed it was an attack to avenge the killing of Fulani man, his wife and three kids. All the Tivs in the area fled for safety. The Guardian, 14/4/2001. Pgs.1, 10 and 11.
10.	7/4/2001	Kaduna	Creation of new chiefdoms and 62 new districts in Zangon Kataf LGA brought hostilities between the Bajju and Ikalu ethnic groups leaving 4 people dead and several others wounded, Tell 21/4/2001.
11.	12/4/2001	Wase, Plateau state	Communal clash between Bogghon and Tarok communities, over ownership of economic trees, mango and locus of beans. 7 lives were lost and properties woth millions destroyed. Anti-not police were dispatched there. Vanguard, 19/4/2001 Pg.1. The standard, 18/4/2001. p.1.
12.	24/4/2001	Shendam, Gidan-Zuru	A spill over of the clash between the Tiv and the Kwalla people of the Quaan Pan. 10 houses were burnt and police men (50 conventional and 40 mobile police men) were sent to the area. The villages of Gidan Zuru and Makera Agu which are predominantly Tiv were deserted. The Guardian 28 and 30 April 2001. Pgs. 2and 3.
13.	12/6/2001	Azara, Nasarawa state	As part of an on-going communal crisis, the chief of Azara village, Musa Ibrahim was killed; wide-spread violence between the Tivs VS Alago, Hausa and Fulani ensued.
14.	2/1/2002	Mambila	Clash between armed youths and Fulani "settlers". About 50 people were killed. About 20,000 Fulanis migrated to the neighbouring Cameroon. 19th and 13th January, 2002 of this Day Pgs. 3 and back page.
15.	January, 2002	Vwang district Jos South Plateau state.	An attack by the Fulani suspected to be connected with the killing of some Fulanis during the September 7, 2001 Jos crisis. This Day, 2/1/2002, New Nigeria, 3/1/2002. Pgs. 3.
16.	2/2/2002	Idi Araba, Mushin and Mogan street (Lagos)	Hausa VS. OPC. The clash started when a young Hausa man went into the bush to ease himself near OPC secretariat. The OPC arrested the boy demanding for N2,500. The boy was man handed. In the ensuring fracas, 100 people lost their lives, 460 injured and properties worth millions of naira destroyed. There were countless refugees. News Watch 18/2/2002. p.30.
17.	March, 2002	Kassa in B/Ladi LGC, Plateau	Reprisal attack by the Fulani community as retaliation for the September, 2001 killing in the area.
18.	26/3/2002	Yelwan-	Disagreement between a Muslim driver and a non Muslim cyclist. The cyclist was

		Shendam Plateau State	allegedly knocked down by the driver. Conflict ensued over compensation or repairs of the motor cycle and sparked of a crisis. 21 people were killed and properties destroyed; soldiers and police were drafted to the area. Daily Trust, 1/7/2002. Pgs. 1 and 2.
19.	June 2002	Makurdi	Conflict erupted when a power saw operator cut down a tree, which fell on a Tiv man's farm. This resulted first into seizure of the power saw by the Tiv man later 5 and 9 people were kidnapped by the Igedes and Tiv respectively. In the ensuing feud, 3 people were killed and properties worth millions of naira destroyed. New Nigerian, 16/4/2002 back page.
20.	June, 2002	Barikin Ladi	Hostilities between Fulani and native Beroms; 300 peoples were feared dead and several injured. This Day, 20/6/2002 Pg.2.
21.	5/7/2002	Wase	Sectarian clash as a result of June 27th communal crisis between Hausa Fulani and Tarok; 20 people were killed and properties worth millions destroyed. The crisis re-occurred as a result of allegation that Christians in the area pass a law prohibiting their daughters from going out with Muslims – News Watch, 5/8/2002. Pg.3.
22.	Nov. 2001	Kaduna	Violence was ignited by a publication in this Day Newspaper 16/10/2002 to the effect that Prophet Muhammad (SAW) might have married one of the contestant in the on-going miss world beauty pageant. Muslim youths in reaction rampage, burnt churches, hotels and killed Christians. The violent spread to Bauchi where some Churches were burnt and Aba and Owerri where some Muslims were molested in reprisal for the killing of Christians in Kaduna. News-Watch, December 16, and Tell December 16.
23.	June, 2002	Yelwa (Plateau)	An elite love affair between Hausa and a female indigene. 20 people reported dead. Many people injured. Worship centres, 6 petrol stations and 22 vehicles were burnt. New Nigeria, 30/6/2002. Pgs. 1 and 2.
24.	14/10/2002	Heipang (Plateau)	There was a night attack by Fulani on the village and 10 people were killed and destroyed properties. Daily Trust, 15/10/2002. Pgs. 1 and 2.
25.	22/10/2002	Maza (Plateau)	As part of festering crisis in the state, Hausa-Fulani indigene attacked the community. 5 people were killed. Daily Trust, 24/10/2002. Pgs. 1 and 2.
26.	7/3/2002	Sokoto	Peaceful demonstration by Hausa – Fulani to protest treatment mated to their kith and kin in other parts of the country since the sharia issue took violent dimension in Kaduna. A Church was burnt, another vandalized. The main market in the city was closed. Danfodio University and Shehu Shagari College of Education all in Sokoto were closed indefinitely. Policemen were drafted to the troubled sports. The standard, 8/3/2003.
27.	27/3/2002	Damboa (Borno state)	This religious clash erupted as a man volunteered his residential quarters were raised down by Muslims who protested the conversion of residential building to a Church. All Churches in Damboa were burnt. About 20 people lost their lives and several victims rendered homeless. Over 100 refugees were recorded and police drafted to the crisis area. The standard, 30/3/2002. Pgs. 1 and 2.
28.	April 2002	Toto (Nasarawa)	This Communal crisis between Bassa and their Egbira counterparts over 100,000 Bassa people were displaced to refugee camps. The standard, 15/4/2002. Pgs. 1 and 3.
29.	28/6/2002	Ojota (Lagos)	At Ojota Motor Park near Lagos, Conflict erupted between the Yorubas and the Igbo luxurious bus operators. The Yorubas hired out youths to force the luxurious bus operators accusing of messing up the place with urine and faeces. Over 300 people lost their lives and 30 vehicles were destroyed. The guardian, 26/6/2002.
30.	Sept. 2002	Zaria	Normal student electioneering took on religious dimensions, pelting Muslims against Christians; over 40 people mostly female students were killed. Weekly trust, 4/10/2002.
31.	October, 2002	Lantang and Wase LGA, Plateau.	Reprisal attack by Fulani herdsmen on the two LGA'S as part of the continuing unrest in Plateau. The Punch, 5/10/2002. Pgs. 3.
32.	Oct/Nov 2002	Vade Ikyal Obudu.	A reported kidnap of an Obudu man led to communal clashes between his ethnic kin and the Tiv in the neighbouring Benue state, thought, to have kidnapped him. Over 18 people were killed.
33.	Dec 11, 2002	Adamawa State.	Clash between Fulani cattle herders and Darfur natives who accused the farmer of vandalizing farms, even 10 people were killed. Daily Trust, December 10, Pgs. 11, 12, Weekly Trust, 4/10/2002.
34.	Dec. 12, 2002	Rim village Plateau	Fulani herdsmen invaded Rim community under cover of darkness as part of intermitted civil unrest in Plateau state since September 11, 2002. This Day, December 14, 2002. Pg.1
35.	February2003	Warri	State primaries to elect candidates for the April 2003 election degenerated into ethnic clashes between the Urhobo and Itsekiri and the death of over 20 people.
36.	March, 2003	Dume, Adamawa State	Reprisal attack by the Fulani community on ethnic Dume, over 100 people including 8 police men and 2 soldiers were killed. Daily Trust, March 4, 2003. Vanguard, March 6, 2003. Pgs. 1 and 2.
37.	June 2003	Numan, Adamawa State.	Trouble, started when a Muslim water hawker stabbed a Christian woman to death, over 5 people were killed, Churches and Mosques burnt. Daily Trust, June 10. Pgs. 1 and 2.
38.	Dec. 28, Jan. 3, 2004	Various locations in Yobe state.	Islamic militants self-styled "Taliban" attacked police stations, murdered and seized weapons to prosecute Islamic republic. Their activities resulted in breakdown of law and order and combined police and army team had to be invited. Over 50 of them were killed.

			Weekend Trust, January 4, 2004.
39.	Jan. 12, 2004	Oyo State.	A clash between traditionalist and Muslims led to death of over 5 people and dozens of houses touched.

Source: Ogoh Alubo 2006, Pgs. 9 – 33.

Other ethnic conflicts that took place during this period (1999 to date) are that of Udi, extreme Taraba between the Tivs and Jukuns. The Jos masacar which lasted for two years between the indigenes and settlers. The Dibos and Fulanis in Gulu under Lapai Local Government Area of Niger State etc.

From the above table, it is clear that, these ethnic crises before and since the re-birth of democracy did not only threatened democratization, but national integration. The documentation also reveal that the issue of ethno-religious crises is multi-dimensional covering areas like politics or struggle for power among the different ethnic groups as demonstrated in the primaries election into local governments in some parts of the country.

Finally, it is obvious from the table that, government is not always taken adequate step towards addressing this menace of ethnic crisis. Apart from the usual deployment of anti-riot police and soldiers which is later culminated with a visit by the President in some cases to the trouble spot and eventually the provision of relief materials. The questions crying for answers are: What are the efforts by government to bring the perpetrators to book? What are their penalties or punishments to avoid repetitions? This is because, as the underdeveloped countries all over the world are moving towards democracy, it is assumed that, democratic government is desideratum to development. And where there is no peace, there can never be development as ethnic crisis continue to threaten democratization as well as development in Nigeria. Hence, the need for us to look into democratization and the crisis of ethnicity in Nigeria is the task of the next section of this paper.

Democratization and the Crisis of Ethnicity in Nigeria

Politics is said to be process of conflicts; where groups compete for authority and the control of scarce resources, there is necessarily tension between interests. When political system fails to manage conflicting interests, conflict may express itself violently (Eiseman; 2004). Eiseman further argued that autocracies usually manage conflicts by suppressing it; denying social group other than the faction controlling the state, the opportunity to express their political interest, or even to exist as political organizations. In contrast, democracies seek to manage conflicting interest by allowing them to compete according to agreed upon rules mediated by institutions. Therefore, the use of ethnicity is not strange in Nigerian politics. As a matter of fact, it has been the basis or rallying point for politics in the past and even the present. Thus, Nigeria politicians are wrong to utilize the ethnic leverage in gaining electoral support and concerning the properties of office or valuable resources (Edlyne; 2005).

Also, the military join as the history of Nigeria would show is a product of interplay of ethnic and geographical forces (Anugwon; 2001). Therefore, the military utilized ethnicity as a tool to perpetuate its hold on power as well as to negate any attempt by the civil society to strive towards democracy and responsible governance (Tajudeen; 2005).

A point to note is that democratic politics can only be consolidated when the sole legitimate method of competing for state power is through participation in democratic institutions and no political actor sees the resource to violence as a feasible strategy for gaining power or influencing the political process. (Eiseman; 2004).

In this direction, Timothy (2004) argued that, ethnic conflict denotes the de-legitimacy of governance by the state. The mobilizations of communal identity join known as politicized ethnicity accumulates a momentum which manifest in a groups drive to make its claims and concerns heard. Institutions and mechanization, which frustrate this momentum can undermine ethnic consolidation of peaceful co-existence or escalate conflicts. He further added, the deprivation of cultural and socio-economic right by government (Political institution) ultimately gives rise to identity politics, leading to an extreme expression of the politicization of ethnicity. Timothy (2004) argues that, politicized ethnic sentiment remains the most meaningful force in Africa's syncretic, marginal, non-nation states, implying politics in the new democracies will constantly reflect this tug- of War with all it deleterious and divisive negative effects.

During the present democratic dispensation, although widely respected as relatively de-tribalised Nigeria (Compared to Olu Falae) President Obasanjo has provoked much criticism for allegedly pondering to his fellow Yoruba (Christian). He has been widely accused of marginalizing other Nigerian groups including the traditionally dominant Hausa/Fulani, who had backed his Presidential bid in 1999 in the wake of southern pressures for a north-south “power-shift” to current Nigeria’s crumbling national unity (Tajudeen; 2005). This attitude could ascend democratic un-consolidated in Nigeria politics.

Another thing that shows the relationship between politics and ethnicity in Nigeria is the fact that, the using bend of inter group or ethnic conflicts may be partly located in the inability of the Nigerian state to rise above partisanship and premodialism in resources distribution. But even more germane is the glaring inability of government programmes, in spite of the over-touted dividends of democracy, to impact directly on the lives of ordinary Nigerian citizens. This is also another political factor that could hinder democratic stability in Nigeria.

Kruger (1993) said, ethnicity and nationalism are not “givens” but are social and political construction. They are the creation of elites, who are drawn up, distort and sometimes fabricate material in order to protect their well being or existence or to gain political and economic advantage for their groups as well as themselves. This process invariably involves competition and conflict for political power, economic benefits and social status between the political elites’ class and leadership groups both with among different categories.

Conclusion

The paper is focused on democratization and crisis of ethnicity in Nigeria. The paper is structured into five parts. Part one is the introduction, part two is the conceptual and theoretical framework. Part three is the causes and incidence of ethnicity in Nigerian politics. Part four is democratization and the crisis of ethnicity. Part five is the conclusion and recommendation.

The paper found that the use of ethnicity is not strange in Nigerian politics. As a matter of fact, it has been the basis or rallying point for politics in the past and even the present.

It was also found that, the military join as the history of Nigeria would show is a product of interplay of ethnic and geographical forces. Therefore, the military utilized ethnicity as a tool to perpetuate its hold on power as well as to negate any attempt by the civil society to strive towards democracy.

The paper also found that the deprivation of cultural and socio-economic right by government ultimately give rise to identity politics leading to an extreme expression of the politicization of ethnicity.

Another thing that shows the relationship between politics and ethnicity in Nigeria as revealed in the paper is the fact that, the rising bends of inter-group or ethnic conflicts may be partly located in the inability of the Nigerian state to rise above partisanship and premodialism in resources distribution. But even more germane is the glaring inability of government programmes, in spite of the ever-touted dividends of democracy, to impact directly on the lives of ordinary Nigerian citizens. This is also another political factor that could hinder democratic stability in Nigeria.

The paper finally reveals that ethnicity is both social and political construction. It is a creation of elites who are drawn up, distort and sometimes fabricate material in order to protect their well being or existence or to gain political and economic advantage for their groups as well as themselves.

From the above findings, it is recommended that:

- There is the need for fact and careful consideration of local problems to generate appropriate indigenous democratic solutions so that Nigeria does not in the pursuit of democratization as defined by the West throw the dogs all that which is not fit for the altar of the gods.

- Home-grown solutions to power-sharing hammered out by competing local groups in response to problems that are significant to them should be allowed to constitute the basis and process of democratization.
- While numerous reasons account for the failure of democratization in Nigeria, building value, consensus, toleration, undifferentiated political ideologies, the development of political efficacy and trust, could create a situation for sustaining democracy in Nigeria.
- Ethnicity should not be used as an instrument to gather political support for such by ethnic loyalists will lead to disunity and affect freedom of expression which is a fundamental prerequisite in a democracy.
- In a state like Nigeria, the military should remain strict to their constitutional responsibilities and show their loyalty to the Nigeria state and not their ethnic of origin.
- Above all, there should be more to the Nigerian citizenship than the mere accident of being born in the geographical area called Nigeria.

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Essentials of VAT Collections and Contribution to the Nigeria Economy

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Abstract
This study examines the essentials of VAT Collections and Contributions to the Nigerian economy. The aim was to investigate those factors that militate against VAT Collections and its Contributions to the Nigerian economy. Secondary data were sourced from CBN Statistical Bulletins and analyzed using the General Linear Model (GLM). The result showed that despite the problems confronting VAT Collections in the country such as corruption, protection of most prominent tax evaders by politicians in power, the activities in the underground economy, the complexity of the tax law etc. VAT has significantly impacted on Nigeria economy. Based on the findings and problems associated with VAT collection, the following recommendations were made which includes the combination of computer technology with the political will to enforce VAT collection, granting of autonomy to FIRS, regular appropriate auditing of tax zone to assess their performance, and appropriate sanctions should be imposed on cases involving fraud to serve as a deterrents to other perpetrators.

Introduction

A country seeking to improve its revenue generation would opt for a concept enabling it to best realize its objectives with due regards to its peculiar socio-economic make-up. One of these ways is by taxation. A tax is a means by which, a Government appropriate part of the private sector's income. The accumulated revenue is used in meeting recurrent expenditure. Tax occupies a unique position, because it is an important part of government policies. The ability of a government to generate revenue from this sector affects services offered by such a government. A mean of improving internally generated revenue is through value added tax, (Mical, S. et al 2012). Value added tax was first introduced by France in 1954. It has been embraced by well over seventy countries all over the world. These include the entire organization for Economic Co-operation and Development of countries, Japan, Canada, the State of Michigan in the USA and many African Countries.

In Nigeria, the March towards VAT system started with acceptance of the recommendation of a study group on indirect taxation in November, 1991. The decision to accept the recommendation was made public in the 1992 budget speech of the Head of State. This resulted in setting up the modified value-Added Tax (MVAT) committee on 1st June, 1992 as recommended by the study ground. The recommendation of the committee that VAT should be administered by an independent commission was rejected by the government. Tax administration was how ever given to Federal Inland Revenue Services, which was already charged with the responsibility of administering most other taxes in Nigeria.

The introduction of VAT in Nigeria through Decree 102 of 1993 marks the phasing out for the Sales Tax Decree No. 7 of 1986. The Decree took effect from 1st December, 1993, but by administrative arrangement, invoicing for tax purpose did not commence until 1st January, 1994.

Value-Added Tax is on the supply of goods and services which is eventually born by the final consumer but all collected at each stage of production and distribution chain. With VAT, government reasoned, it will be virtually impossible to evade tax.

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Definition and Meaning of VAT

Value Added Tax (VAT) according to Okezie (2003) is a tax imposed on goods and services at the rate of 5% with the aim of raising revenue to government and its incidence is borne by the final consumer; and this VAT is collectable from both imported and locally manufactured goods and service. Nworji (1996) sees VAT as a kind of indirect tax whereby the incidence of the tax burden does not fall directly on the payer; it is a consumption tax passing from the manufacturer to the wholesaler to retailer and finally to the consumer who is designed to bear it without buying any vatable goods or services. This implies that VAT is not a tax on total value of goods being sold but only on the valued factor of services and material that form purchase as inputs and the value of outputs.

Nnamocha (2002) describes VAT as tax levied on the value of each of process carried out by a business. Also, VAT is a multi-tax where an industry in horizontally integrated with forms specializing in single process, the ax would be based only on the work done by each firm and not as in the case of a turn over tax on the full value of the product. Furthermore, Shofowora (1993) as cited by Nnamocha (2002) PostulateS VAT as a consumption tax on all economic operation in the country including imports. This tax was developed to replace the sales tax, and it is levied as 5% on the cost of goods or services. In like manner, Tabansi (2001) describes VAT as an indirect form of taxation based on general consumption behaviour of the people. It is a tax on spending expected to be borne by the final consumer of goods and services. It covers manufactured goods, import as well as professional and banking services.

Value Added Tax (VAT) In Nigeria

The idea of introducing VAT in Nigeria came from the report of the study group set up by the Federal Government in 1991 to review the entire tax system. VAT was proposed and a committee was set up to carry out feasibility studies on the implementation. In January 1993, Government agreed to introduce VAT by the middle of the year. It was later shifted to 1st September, 1993 by which time the relevant legislation would have been made and proper ground work done, (FIRS, 1999).

The VAT was introduced as a replacement of the existing sales tax which has been in operation under Federal government Legislated decree No. 7 of 1986, but is operated on the basis of residence. According to Ogunyemi (2008), the rationale behind the replacement of sale tax with the VAT is informed by a number of factor's and considerations. One of which is the narrowness of the sales tax which negates the fundamental principle of consumption tax which by nature is expected to cut across all consumable goods and services. Another reason is because sales taxes were targeted towards only locally manufactured goods.

Value Added Tax (VAT system in Nigeria is administered by the Federal Inland Revenue Services (FIRS) though the VAT directorate which is located at the Head Office in Abuja with a network of zonal and local VAT Offices throughout the federation. Okezie (2003) notes that, although VAT is administered centrally by the Federal Government using the existing tax machinery of the FIRS in close cooperation with the Nigeria customs Service (NCS) and the State Internal revenues (SIRS), the net proceeds from the new tax accrue largely to the State and Local governments after making a relatively small percentage to the Federal Government to cover the cost of administration. In effect, the State and Local government will benefit more out of the entire VAT collection.

The implementation of VAT officially commenced on the 1st September, 1993 although actual operation did not begin until 1st January 1994. In this regard, registered persons were allowed up to the last quarter of 1993 to adjust their accounts, particularly the incorporation of VAT information in their general ledgers, in order to comply with the requirements of the tax. That means, all registered person were to start issuing VAT invoices to their customers as from 1st January, 1994.

The Value Added Tax (VAT) in Nigeria collected through registered persons who are known as “taxable persons”. A taxable person is obliged to register with the FIRS for VAT collection “within six months of the penalty of N10,000 for the first month in which the failure occurs, and N5, 000 for each subsequent month.

The figures below shows that total value of VAT collected in the country between the period 1994-2010 all in millions.

Year	VAT
1994	5026.00
1995	6256.90
1996	11286.00
1997	13905.30
1997	16206.80
1998	23750.50
1999	30643.50
2000	44912.90
2001	52632.00
2002	65857.60
2003	96195.60
2004	87449.80
2005	110566.80
2006	144372.80
2007	198056.80
2008	229323.20
2009	275574.63
2010	319308.53

Source: CBN Statistical Bulletin 2010.

According to FIRS (1999), the goods and services exempted from VAT includes: Medical and Pharmaceutical, Basic Food Items, Educational Materials, Baby Products, Agricultural Chemical Equipment, and Exported Goods. The services include: Medical Services, (Community, People and Mortgage Banks), religious services, exported services, and plays and performance conducted by educational institutions as part of learning.

However, Asabor (2012) notes that the various exemptions granted on VAT (an exemption that is distortive), creates a lot of complexity, non-transparency and arbitrariness in terms of application and enforcement. Hence, the government is shortchanged at two levels; high level of exemptions and low

VAT rate. Beyond exemption is the issue of the gross product VAT model which Nigeria adopts. The gross product model is one that maximizes tax by disallowing cost. It however allows for restriction on the recovery of VAT paid on capital items (since the cost of capital is amortized and spread across the item). In term of quantifying, if restrictions are removed, there will be a fall in the cost of collection but if the exemptions are rationalized, the net collection would be better to have a proper rate.

Although, there have been enacting their own State Board of Internal Revenue enacting their own tax laws, it is noteworthy to state that the FIRS is primus interprets-first among equals of all the 37 tax authorities in Nigeria and that VAT law is a Federal Law. The case of the consumption and hotel tax being charged by the Lagos State Board of Internal Revenue (LSBIR) for example, (although still at the Supreme Court) has been ruled as null and void by the Federal Court (FIRS, 1999). The argument on the part of the LSBIR was that the law provides that VAT for intra-state should be at the purview of the state while that for inter-state should controlled but he Federal Government. Adedeji (2005) argues that the problems with this are the controversy that would be generated from cross boundary movement as being witnessed in the constant multiple tax cases. Given that the constant movement of goods and services therefore, if every state operates its own tax law, there is going to be a huge problem, not just for the Federal Government but, for everybody (tax payers).

Problems of VAT Collection in Nigeria

According to Micah et al (2012), a structural problem in the economy is one of the factors that have hindered the effective collection of VAT in Nigeria. To this, they explained that since the early 1990s, Nigeria has been moving away from direct to the indirect tax considered to be less distortionary VAT, for instance is less distortionary because it is applicable to the value added contents of imports and of domestically produced goods. The potential for maximizing the benefits of this form of tax however is constrained by structural problems in the economy. The predominance of the informal sector, constitute more than 50 percent of the country’s economy, enables most domestic production to circumvent VAT. Income tax also faces the same risk. Since operations in the informal sector are rudimentary without adequate record keeping tax assessments are difficult to make. Often tax administration resorts to estimates that are prone to a wide margin of error, or open, up tax evasion opportunities. Ariyo (1997) points out that the proportion of self-employment relative to the total working population is substantial, yet tax authorities have not devised appropriate means of collection. In fact, income from the self-employed or informal sector activities is grossly untapped. This situation applied equally to excise tax and VAT-retail trade in Nigeria is incredibly large but substantially informal. VAT collection at this stage is bound to be a nightmare, particularly where a large depends largely on the extent of economic progress. The coverage of this form of tax depends largely on the extent of economic progress.

Value Added Tax (VAT) collection in Nigeria has also been affected by the level of corruption in the country. In many cases political corruption is at least as serious as corruption of the tax bureaucracy. Low salaries of tax officials, political protection of prominent tax evaders, poor monitoring of junior officials, high tax rates, high levels of discretion for the tax officials, and poor information, generally are some of the problems confronting VAT collection in Nigeria, (AJakaiye; 2000).

The complicity of tax laws in Nigeria is difficult for the common man to understand, and some cases are problematic even for literate officials. In addition to lack of understanding, many vatable people are unaware of the existence of VAT. This coupled with the lack of information, laziness of the tax officials, uncooperative tax payers, and the habit of quick fix; solutions encourage the use of the best judgment approach. This may be a manifestation of the poor tax education and weak fulfillment by tax authorities of their responsibilities with regard to public awareness. As a result of the uncommon nature of the Value Added Tax (VAT) system, majority of the people in the country are unawares of its existence, and oftentimes the payment and collection of VAT is met with some form of resistance. Asabor (2012), notes that as a result of the problem above, the International Monetary Fund (IMF) team, under the technical programme, visited Nigeria Tax Law made it to be re-drafted in plain English language. Since then various efforts including working group sessions, have been held to achieve this novel feat. The most recent was the working group session on the draft VAT law held from August 3-8, 2011.

To raise revenue in Nigeria, as of march 2003, the Federal Inland Revenue Services (FIRS) had 7,643 staff members throughout the country, of these a mere 12.6 percent, or 645 employees, were tax professionals/officers, (Micah et al, 2012). The predominance of support staff in a professional inclined agency like the FIRS does not augur well for the country. Additional evidence shows that staffs of FIRS are not provided with regular training to keep them abreast of developments in tax related matters. This makes the administration and collection of VAT in terms of total coverage and accurate assessment very weak.

Research Methodology

The study used mainly secondary data in its analysis. Data were obtained from the Central Bank of Nigeria (CBN) Statistical Bulleting of 2010. Data used include Gross Domestic Product (GDP), and Value Added Tax (VAT). A time frame of 1994-2010 was used in data collection.

The GDP is donated as Y, while VAT is denoted as x, given us the function y=f(x)
Mathematically, the equation of the model to be estimated is $y=b_0+b_1x_1+e_+$
Where e = error term or stochastic variable which takes care of other variable that affect y, but are not taking into consideration. When the model is estimated, becomes:
$y = b_0 + b_1x$

The correlation analysis and regression were used to access the relationship between the variables. The coefficient of determination and it adjustment were used to determine the fitness of the model. Since the time frame is less than thirty years, the t student test is used to test the significant of Vat on GDP, SPSS statistical package was used to obtain results.

Hypotheses Testing

To establish the nature of the relationship between VAT collections and contributions to the Nigerian economy, the hypothesis below were tested.
H0: VAT does not significantly contribute to Nigerian economy
H0: There is no problem encountered in VAT collections.

Data Presentation and Analysis

Below is the relevant portion of the regression result;
$R^2 = 0.939 = 94\%$

R^2 = 0.935 = 94%
Coefficients b_0 = 1165861.157
b_1 = 116.413
t Statistic 15.167
The estimated equation obtained is
y = 1165861.157 + 116.413x
From the equation above, the value of GDP (y) is 1165861.150 when the value of VAT (x) is zero. The positive sign of X_1 indicate a positive relationship between GDP and VAT. Here, as the value of VAT increases, the value of GDP also increases in the same magnitude vice-versa.

The R^2 and it adjusted (R^2) value of 94% shows a very good fit. It indicates that about 94% variations in GDP is being accounted for by our model. In other words, about 6% variation in GDP (y) is accounted for by other variables which are not taken into consideration.
The t_{cal} value of 15.167 which is greater than the t_{tab} (t_{15},0.025) value of 2.131 indicates that VAT significantly impacted on GDP.

Result and Discussion
Based on the analysis of the data, and the literature review it was discovered that the problems confronting VAT collection in Nigeria is not far-fetch as they are problems commonly looked upon by government or authorities concerned. It was discovered that corruption is a majority problem confronting VAT collection in Nigeria. This corruption has been made worst by the political superstructure in the country, as most prominent tax evaders are now being protected by politicians in power. Next to this, are the activities going on in the underground economy, many people only pay tax on some earnings or activities but fail to declare other additional source of income. Manpower, money tools are also discovered to be part of problems associated with VAT collection. The complexity of tax laws is not left behind, as it was also discovered to be a problem affecting VAT collection in the country. However despite the problems associated with VAT collection in the country, VAT contribution in the economy has been significantly within the period under study.

Conclusion
This paper critically investigated the collection and contribution of value added tax (VAT) to the Nigerian economy from the time of its inception to 2010. This was done against the background that it was introduced by the Federal Government of Nigeria in 1994 to replace Sales Tax. The aim was to increase the revenue base of government and make funds available for developmental purposes that will accelerate economic growth. Time series data on both the GDP and VAT Revenue from 1994 to 2010 were sourced from Annual Reports and accounts of the Central bank of Nigeria (CBN). The data were analyzed using the simple regression statistical analysis. The findings showed that despite the complexity of problems associated with VAT collection in the country, a positive and significant correlation exists between VAT revenue and GDP and that VAT revenue accounts for as much as 94% significant variations in the GDP. This study therefore concludes that VAT significantly contributes to Nigerian economy.

Recommendation
This paper therefore recommends the following:

- The Federal Inland Revenue Service (FIRS) should be granted autonomy to enable them professionally administer the VAT in the country without the fear or favour of anybody.
- Computer technology should be combined with the political will to enforce VAT collection. Computer technology can help in developing a master file system which will assign a unique number directly aids in identifying, assessing and collecting the tax. If the tax payer identification number is tied to other means of identification, such as drives' licenses or passport, it can be a potentially powerful means for tax enforcement.
- There should be regular appropriate Auditing of the tax zone to assess their (FIRS) performance.
- Government should keep demands on VAT payer funds to a minimum. This is because perceptions that VAT rates are too high can have a significant effect on compliance.
- The government should adequately use the VAT returns because compliance will be significantly better if VAT payers' perceive that the government are using the money judiciously.
- Appropriate sanctions should be impose on cases involving fraud, loss of tax revenue, printing and the use of tax revenue receipt, and also publicized it to serve as a deterrent to other perpetrators.

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The Impact of Internal Control on Fraud Profile in Nigerian Banks

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Abstract
Using the inductive content analysis method through the logical analysis of the objective of the study using secondary data, this study evaluates the impact of internal control on fraud profiles in Nigerian banks. The analysis showed that though there is internal control system in banks, there seem not to be effective and efficient utilization of the internal control design which has led to porous system which fraudsters have continued to utilize. The study therefore recommended among other things that banks should have good management that has knacks for down-to-earth implementation internal control, create an effective and efficient internal control system with a framework for internal control implementation monitoring.

Introduction

There are enormous external pressures both in business and social lives of individuals all over the world. In fact there are disappointments in various relationships, be it in marriage, friendship or business. Man is insatiable and invents various schemes to defraud the organizations they are working in or transacting business with. Organizations are experiencing business failures most of which are man-made and avoidable. The world has in recent past witnessed all sorts of frauds despite many rules and regulations put in place by various regulatory agencies and government of independent nations. Business failures have an economic implication which is disastrous to the economy of nations.

Nigeria has witnessed many failed banks and finance houses in the late 1980s and early 1990s. Many bank Chief Executives absconded abroad while some were tried due to their involvements in employed related frauds and money laundering scams. Nigeria has also witnessed corruption in all facets of her policy and economy which include the banking sector. There seem to be value erosion in Nigeria. Social values are fast eroding and quest for material wealth is dominant and so bank staff and their cronies within and outside the industry inculcate schemes to outsmart existing controls in Nigerian banks. Ajayi (2005) as cited in Adegbaju and Olokoyo (2008) maintained that banking sector reforms in Nigeria are driven by the need to deepen the financial sector and reposition the Nigerian economy for growth to become integrated into the global financial structural design and evolve a banking sector that is consistent with regional integration requirements and international best practices. This is against the backdrop of the importance of the banking sector to every economy. As intermediary to both suppliers and users of funds, banks are effectively situated in a continuum that determines the pulse of the economy. Worldwide, the ability or inability of banks to successfully fulfill their role as intermediaries has been a central issue in some of the financial crisis that has been witnessed so far. Diamond (1984) remarked that a special feature of banking activities is to act as delegated monitor of borrowers, on behalf of the ultimate lenders (depositors). In this special relationship with depositors and borrowers, banks need to secure the trust and confidence of their numerous clients. Though this requires safer and sound banking practices, it is not often the case as bank failure in different country has come to prove.

The failure of banks to adequately fulfill its role arises from the several risks that they are exposed to; many of which are not properly managed. One of such risks increasingly becoming worrisome is that associated with fraud. While banks are grappling with the demands of monetary authorities to recapitalize up to the stipulated minimum standards, fraudsters are always at work threatening and decimating their financial base. Moreso, there is rise in the number of employees who are involved in

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the act as well as the ease with which many escape detection thus encouraging many others to join in perpetuating fraud (Onibudo, 2007). This no doubt brings to focus, the effectiveness of internal control in Nigeria bank.

Statement of the Problem

If the Nigerian economy is cast sectorally, the banking sector will no doubt stand tall as one of the most popular and also arouses the most public interest. The popularity of the banking sector stem from the important role it plays which include financial intermediation, provision of the requisite payment system and facilitation of the implementation of monetary policies. The banking sector according to Olismbu (1991), has become one of the most critical sectors and commanding heights of the economy with wide implications on the level and direction of economic growth and transformation and on such sensitive issues as the rate of unemployment and inflation which directly affect the lives of our people. Today, the very integrity of these laudable functions of Nigerian banks has been called into question in view of incessant frauds and accounting scandals. About N18 billion was recently reported by CBN as internal fraud by bank staff in 2012 (NDIC. 2013). Statistics on the activities of fraudsters in the industry is both amazing andconfounding. Ogwuma (1981) estimated that on the average, banks in Nigeria were at a risk of losing one million naira every working day due to the incidence of fraudswhich come in different guise or forms. In recent times, this estimate is low going by theNDIC 2001 report where banks recorded cases of frauds and forgeries totaling N11.244billion (Kazeem and Ogbu, 2002). Such an amount would have been enough to set up aleast eleven micro finance banks in the current period. Forgeries currently constitute thegreatest challenge facing the industry. Also the number of insiders (staff) who connivewith outsiders to perpetuate the act is alarming. According to an NDIC publication,about 1,914 bank staff of various banks were involved in bank frauds between 1994 and1996. The report also established that frauds contributed immensely to the failure ofmost banks in the 1990s, the amount involved representing as much as 32.1% ofshareholders’ funds in 1998 (Udegbunam, 1998). Equally worrisome is the rise in thenumber of top management staff that have either been indicted or accused of engagingin bank fraud. Meanwhile, Oseni (2006) tried to draw attention to the effect of such when he stated that the incessant frauds in the banking industry are getting to a level at which many stakeholders in the industry are losing their trust and confidence in the industry. Shongotola (1994) thinks that banking industry in Nigeria is not just a battle front with clear cut firing line between banks and bandits but a veritable mine field in which some banks and their top management staff are in secret league with the enemy.

With upgrade in technology and automation system introduced almost in all facet of banking to the extent of cash-lessness, the risk of fraud is also on the increase given the fact that fraudsters are also constantly devising new plans, updating their outdated methods and experimenting new techniques that will enable them bypass the automated system.

In view of the enormous amount being lost to fraudsters in the bank in continuum, the question of the adequacy of internal control measures put in place by banks come to mind. Though fraud is not limited to the banking sector but for the fact that the nitty gritty of the banking sector is built on customer confidence due to their stock–in-trade- customer’s cash, anything that has the quality of eroding customer confidence must be addressed squarely by concerned stakeholders. Beyond the crisis of confidence, it may also affect the going concern status of the bank with a potential to lead to failure. Can the dwindling situation be occasioned by weaknesses in the internal control system of the banks? Against this backdrop, the study is aimed at ascertaining the impact of internal control design on the fraud profiles of Nigerian banks.

Objective of the Study

The major objective of this study is to examine the impact of internal control on fraud profiles in the Nigerian banking industry. However, the specific objectives of this study are as follows:

(i) To determine the competences of bank staff in early fraud detection and control

(ii) To determine the strength of internal control systems relative to the level of frauds experienced in the Nigeria Banking industry

(iii) To ascertain if motivation of bank employees accounts for the widespread incidence of frauds in Nigeria Banks.

Significance of the Study

The impact of bank fraud on banks in Nigeria and indeed the economy at large is of interest to researchers, industry practitioners, and all stakeholders in the Nigerian economy.

This study will be of invaluable benefits and usefulness to all categories of bank managers, financial information's users such as existing and potential shareholders, creditors and fund providers as well as the relevant government agencies.

Furthermore, researchers and students in the field of banking and finance who want to know more about fraud, its causes and possible ways of preventing it will also find the study beneficial.

Literature Review

Background

Insights have been given as to what internal control is all about in several works. One of such is that offered by Awe (2005) which says Internal controls are policies, procedures, practices and organizational structures implemented to provide reasonable assurance that an organization's business objectives will be achieved and undesired risk events will be prevented or detected, and corrected, based on either compliance or management initiated concerns. These measures ensure adequacy of control when properly monitored, ensures company assets are safe and protected, ensures internal policies are adhered to by all members of staff and also that the company (bank) adheres to all regulatory policies among other things.

Fraud on the other hand, literarily put, means a conscious and deliberate action by a person or group of persons with the intention of altering the truth or fact for selfish personal gain. A wrongful or criminal deception that has the intention to result in financial or personal gain. In banks, management can falsify or manipulate documents or records to obtain undue advantage over the customers, investors, regulatory agencies among other relevant parties. Staff of the bank can also deceitfully obtain money or property belonging to her employers. This gives us a management and staff angle to the frauds that take place in banks. Where these occur, the resultant effects include but not limited to loss of funds which if allowed to continue, may lead to distress. Loss of quality staff as most staff that commit fraud are often staff that are too good on the job and know how to bypass or take advantage of porous control. It also dents the image of such bank which has a possible effect of creating bank run.

Empirical Literature Review

Studies have been carried out in many countries into the perception of financial report users of internal control responsibilities in fraud prevention and detection. Within the radar of domestic literature, studies are not found wanting. Abiola (2012) examined the relevance of internal auditors in Nigerian banking sector in the light of recent negative corporate governance experiences. The study conducted with a semi-structured interview on 23 internal auditors in 9 of the currently existing banks in Lagos state. Reflecting on personal experiences, internal auditors indicate a wide range of views suggesting why there was existence of weak corporate governance and resultant capital erosion in some of the banks. Majority of the internal auditors consider management as most crucial driver of corporate governance.

Hamilton and Justin (2012) examined the management of financial fraud in quoted companies in Nigeria employing a sample of 22 firms and using the questionnaire and oral interviews as study instruments. Data was obtained and analyzed using simple percentages and frequency distribution tables. Some findings of the study showed that poor internal control systems are the major cause of fraud in Nigeria organizations, funds diversion is the commonest kind of fraud. Most business organizations do not make fraud cases public, young people within the age brackets of 31-40 years and polygamists recorded highest cases of involvement in fraudulent acts among employees and the frequency of males' involvement in fraudulent act surpassed that of females. This study concludes that even though fraud cannot be completely eliminated from our business life, its occurrence can be minimized through better internal control systems and by placing those personality types within the least propensity to commit fraud in sensitive and vulnerable positions.

Okunbor and Obartin (2010) carried out a work to establish whether the application of forensic accounting services by corporate organizations in Nigeria is effective in deterring fraudulent practices among other things. The basic methodology employed to achieve the research objective was a combination of structure interview and tailored questionnaires. The simple regression model (SRM) was employed as the statistical tool for the testing of the hypothesis. The study showed amongst others that the application of forensic accounting services by corporate organizations in Nigeria is not effective in deterring fraudulent activities.

Akindele (2011) understudied the causes of fraud, measured its impacts and indentified means of controlling it. The study is a survey research and questionnaire was used for the collection of primary data while libraries, journals, write-ups seminar papers and books by popular authors were used as secondary data. The findings show that lack of adequate training, communication gap, and poor leadership skills were among the greatest causes of fraud in Nigerian banking industry. It was concluded that adequate internal control system should be put in place and that workers satisfaction and comfort should be optimally considered.

Obamuyi (2012) examined the nature and extent of the incessant banking distress in Nigeria and the implication for policy formulation and implementation. Descriptive statistics were employed to analyze data from secondary source. The paper calls for a more pragmatic and proactive approach by the central Bank of Nigeria in dealing with the problem of banking crises. It was stated that, although the recent consolidation exercise made the banks to be heavily capitalized in line with global financial system, it did not guarantee sound financial stability as a result of implementation problem.

Olatunji (2009) examined the impact of internal control in the banking industry with Wema Bank as case study. Data captured for this study were analyzed through descriptive and inferential statistical method. A major finding of the work shows that fraud prevention, detection and control are interwoven as the three work together to eliminate fraud and fraudulent tendencies. Thus, the study concluded that internal control is highly significant in fraud detection and prevention in banking sector in Nigeria.

Adeyemo (2012) carried out a work on the nature, deep-seated cause, aftermaths and probable remedies of fraud in Nigerian banks. This study leaned heavily on the Nigeria Deposit Insurance Corporate (NDIC) annual report for data relating to total amount involved in frauds and forgeries, ten banks with the highest fraud cases and categories of bank staff involved in frauds and forgeries. The paper concludes that the battle for the preclusion uncovering and retribution of fraud offenders must be sought on two extensive fronts: First is to reduce the temptation to commit fraud and second is to increase the chances of detection. While a positive work environment will help to achieve the former, the latter can be achieved by sound internal control system.

Ewa and Udoanyang (2012) attempted to determine the impact of internal control design on banks' ability to investigate staff fraud and staff life style and fraud detection in Nigeria. data were collected from thirteen Nigerian banks using a four point likert scale questionnaire and analysis using percentages and ratios. Multiple regressions were use in testing the hypothesis. The study revealed that internal control design influences staff attitude towards fraud, that a strong internal control mechanism is deterrence to staff fraud while a weak internal control mechanism exposes the system to fraud and creates opportunity for staff to commit fraud. That most Nigerian banks do not pay serious attention to the life style of their staff members and that most staff members are of the view that effective and efficient internal control design could detect employee fraud schemes in the banking sector. The study concluded that effective and efficient internal control system is necessary to stem the malaise in the banking sector.

Idolor (2010) set out to find the common types of bank fraud that are frequently carried out in the banking system, the underlying causes, level of staff involvement, consequences and possible means of ameliorating the problem. A sample of 100 respondents taken in Benin City, Edo State was studied by means of field survey tool of questionnaire and the response to rating scale questions were tested for significance using the “t-test”. The analysis revealed that respondents did not view unofficial borrowing and foreign exchange malpractice as forms of bank fraud since they were common and an industry wide practice. It also revealed that there was an equal level of staff involvement in initiating and executing fraud, with the concealment of fraud coming last in their agenda among others.

Theoretical Framework
In order to explain why fraud is conceived in the society, the following theories have been advanced by scholars:

i) Sociological Theory of Crime/Fraud

Sociological theory of crime attempts to account for the social forces that cause or result in criminal behavior. In this respect, the sociological perspective acknowledges that factors such as strain, group conflict, subculture idea, economic and language are important facets to deferring delinquency and crime (Arrigo; 2005). In a bid to elucidate the subject matter more, Zarka (2007) went further to state that sociological theory of crime can be classified into social structure theories, social process theories, social conflict theories and the rational theory.

ii) Psychological/Physiological Theory

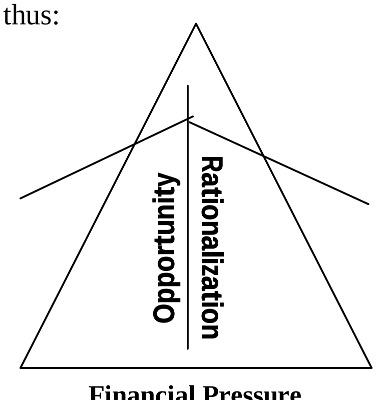
Lambroso (1876) cited in Ford (2001) compared Italian soldiers with Italian Prisoners, found systemic differences convincing him criminals were born. That is to say criminality is inborn. He believed through his findings that a significant proportion of criminals were biological throwbacks.

iii) Cultural Transmission Theory

According to cultural transmission theory, in the most socially disorganized and poorest zones of the city, certain forms of crime have become the cultural norm, transmitted from one generation to the next, as part of a normal socialization pattern. Successful criminals provide role models for the young, demonstrating both the possibilities of success through crime, and its norm ability (S-cool; 2013). Shaw and Mckay (1942) applied Sutherland’s theory of systematic criminal behavior, and claimed that delinquency was not caused at the individual level, but is a normal response by normal individuals to abnormal conditions. Thus if a community is not self-policing and imperfectly policed by outside agencies, some individuals will exercise unrestricted freedom to express their disposition and desires, often resulting in delinquent behavior (Wikipedia, 2013).

iv) The fraud Triangle

The fraud Triangle is a theory used in explaining why people commit fraud. It has basically three components placed in a triangle formula thus:



According to Cressey (1973), trusted persons become trust violators when they conceive of themselves as having a financial problems which is non-shareable, are aware this problem can be secretly resolved by violation of the position of financial trust, and are able to apply to their own conduct in that situation verbalizations which enable them to adjust their conceptions of themselves as trusted persons with their conceptions of themselves as users of the entrusted funds or property. That is to say when pressured financially, the individual works around and understands he has the opportunity to resolve the pressure without being noticed the he rationalizes why he should do it which eventually leads to the act of fraud.

v) Fraud Deference Cycle

Fraud deference is the proactive identification and removal of the causal and enabling factors of fraud (Wikipedia, 2013). Fraud deference is based on the premise that fraud is not a random occurrence; fraud occurs where the conditions are right for it to occur.

Research Gap to Be Filled

Extensive studies have been conducted in many countries into different perceptions on fraud. Despite the extensive international research on fraud, very few studies have been conducted on the issue of the actions or inactions of internal control and audit aiding the success in the growth of fraud profile in Nigerian banking industry. The extensive international findings may not be applicable to Nigeria as such findings are influenced by and usually reflect economic, social or legal factors unique to those countries in which the studies took place. This study will give an insight into the Nigerian perspective.

Discussion on the Reviewed Literature

Olatunji (2009) made a conclusion that internal control is highly significant in fraud detection and prevention in banking sector in Nigeria. He had earlier pointed out in his findings that fraud prevention, detection and control are interwoven as the three work together to eliminate fraud and fraudulent tendencies. However, Akindele (2009) found out that lack of adequate training, communication gap and poor leadership skills were among the greatest causes of fraud in Nigerian banking industry and while concluding that adequate internal control system should be put in place, he also recommended that workers satisfaction and comfort (motivation factor) should be optimally considered. There is need to emphasize that workers satisfaction referred to also include the staff manning the internal control unit. In Ewa and Udoayang (2012), we noted that internal control design influences staff attitude towards fraud, that a strong internal control mechanism is deterrence to staff fraud while a weak internal control mechanism exposes the system to fraud and create opportunity for staff to commit fraud. It advocated a more effective and efficient internal control

Discussion on the Theoretical Framework

The sociological school of thought believe that environment has serious role on the criminality of individuals as espoused by Arrigo (2005) and also elucidated by Zarka (2007), the physiological/Psychological school of thought believe that criminality is inborn as put forward by Lambroso (1876) in Ford (2001). Cultural transmission theory however thinks that fraud is a normal response by normal individuals to abnormal situations. This is a near corroboration of the fraud triangle theory which assumed that individuals who have financial pressure and sees the opportunity, have the tendency to rationalize why they can commit such crime or fraud which implies that every community or strata of existence needs self policing to avoid individuals exercising unrestricted freedom to express their disposition and desires which often results to delinquent behaviours hence the need for effective and efficient internal control in banks.

Conclusion

Using the inductive content analysis as parameter for analyzing the data available to us, we conclude that though banks in Nigeria have designed internal control mechanisms as part of its structure, there seem not to be effective and efficient utilization of such design which has resulted in creating loopholes with which fraudsters have continued to capitalize on to perpetrate their heinous acts. This forms the overriding reason for the increase in fraud volume among other reasons.

Recommendations

Consequent upon the conclusions of this paper, we recommend as follows:

a. Institution of good management that has knack for a down-to-earth internal control design implementation.
b. Design and implementation of effective and efficient internal control structure
c. Create a framework for internal control implementation monitoring
d. Create policies that will be employee friendly and objective reward system
e. Appraisal impact should reflect in employee career growth as against a situation where staff have good appraisal results but are not promoted for a very long periods thereby leading to discontentment and grumbling.

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Effective Talent Management in Organizations: The Imperatives.

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Abstract
This study anchored on effective talent management in organizations with a particular reference to Nigeria. The objective of this paper is to identify the talent management imperatives in organizations operating in Nigeria. The paper adopted content analysis of library materials, journal publications, internet materials and other documented materials relevant to the subject matter. It was concluded that for organizations to succeed in the hyper-competitive and increasingly complex global economy they must have the best talent. It was also recommended that Talent management strategy should be in sync with business strategy objectives and human capital context to ensure effective talent management implementation.
Keywords: Talent, talent management, Effective talent management and Organizations

Introduction

Background of the Study

The fast-paced, global business environment coupled with the ever-growing challenge of a rapidly changing workforce requires a well-planned, rigorous approach to talent management. It is a complex discipline, encompassing a wide array of programs and processes. The concept was officially born in 1997 when McKinsey commissioned research on the global “war for talent” to review the procedures companies in the United States were adopting on recruiting the best performing employees. Talent management is the art of using human resources (people) to improve business value in order to help an organization actualize its set goals. Anything that is done to recruit, retain, develop and make workers perform is part of talent management. Talent management also seeks to focus on an employee’s potential, meaning an employee’s future performance, if given the proper development of skills and increased responsibility. The issue with many organizations today is that they put tremendous efforts into attracting employees, but spend little time into retaining and developing talent. Many still dismiss talent management as a short-term, tactical problem rather than an integral part of long-term business, requiring the attention of top-level management and substantial resources of the organizations. Talent management is more complex than just identifying supposedly talented young people. Its activities occupy a significant amount of organizational resources and It is one of the top seven chief HR (human resources) initiatives globally” (IBM, 2005). Organizations need to be proactive about their talent management and discard all traditional assumptions about the employment relationship. Essentially, talent management refers to all the variables associated with the employment of human capital as well as all other corporate assets which require strategic and proactive management .Talent management processes change over time in response to the impact of both internal and external factors on the workplace (Frank & Taylor, 2004). For instance, globalization, workplace reform and changes in the demographic composition of the workforce have affected how talent needs to be managed (Nankervis, Compto & Baird, 2005). The growth potential of organizations worldwide depends on their ability to have the right people, in the right place and at the right time. United States Fortune five hundred companies spend an average of $3 billion dollars on

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employees training annually (Hiles & Bunnell, 2006). Talent management practices and techniques have developed and adapted over time in response to a changing workplace (Frank & Taylor, 2004).Yet its effectiveness and efficiency has not been achieved. Talent management involves an array of interdependent policies and procedures that need to be well integrated because organization will not achieve the desired level of human capital performance if talent management processes do not operate as a cohesive whole (Heinen & O'Neill, 2004). It is one of the biggest challenges facing organizations in this millennium. The demand for superior talent far outweighs supply, and more and more organizations are feeling the impact as they compete in the global market (McKinsey, 2006). The Talent Development framework adopted by an organization needs to support the talent capabilities required for the future and needs to be able to flex with ongoing changes. Moreover, effective leadership ability in a global and increasingly diverse workplace is one competence that will always be in high demand, and this must be factored into any comprehensive development program and other elements will be determined by the business strategy (Heinen & O'Neill, 2004). Clearly defined business goals and objectives provide the building blocks for effective workplace planning and talent management, through the articulation of the programs and tactics required to achieve success through people (Farley, 2005). Talent management policies and processes require flexibility in line with business strategy in order to accomplish objectives (Stone, 2002). Talent Management is, therefore, the proactive management of an organization's human capital for the purposes of achieving the organization's goals. Effective talent management is very crucial to attain high levels of quality, customer service and operational efficiency (WRDI INSTITUTE 2005). Acquiring and developing the right talent is critical towards achieving business results (Hewitt 2008). It is very explicit that effective talent management is a business imperative for any organization wishing to maintain a competitive position in today's market.

Conceptual Review

"DDI (Development Dimensions International) defines talent management as a mission critical process that ensures organizations have the quantity and quality of people in place to meet their current and future business priorities. The process covers all key aspects of an employee's "life cycle:" selection, development, succession and performance management. Effective talent management requires that your business goals and strategies drive the quality and quantity of the talent you need. Talent is a gift or ability understood as the possibility, potential or ability that predetermine the individual to extraordinary intellectual, artistic, sporting and other achievements. In corporate practice, Talent means the ability to achieve sustainably above- standard performance - that is what corporate practice requires, measures and values (Guru Stephen covey 2007). According to the consulting firm DDI, the simplest definition of talent management is: Recruitment, development and retention of people, planned in line with the organizational flow and future objectives of the organization. According to the HAY Group, talent management means ensuring exceptional performance of the organization through identifying, acquiring, developing and motivating talents and caring about them. Talents in this case are those workers who are able to hold key positions in the near future as well as from the long term point of view. For companies, the term talent management mostly means finding talent outside the organization or eventually within graduate recruitment in schools and then subsequently hiring them for their companies. The term talent management also means different approaches to different people. Talent Management seeks to address how organizations can make best use of the talents of the people they employ. It is commonly accepted that the skills, knowledge and attributes that employees demonstrate can be a significant asset to organizations. Talent Management can be broken down into 4 important constituent parts: Recruitment – how organizations identify and recruit talented individuals in to their organization • Development – how organizations develop the individuals to unleash the talent they possess • Deployment – how organizations match the talent of the individuals to the critical roles • Retention – how organizations keep hold of their best performing talent effectively .Morton (2004) defined talent as individuals who have the capability to make a significant difference to the current and future performance of the organization. According to Morton (2005) Talent management is integral to engaging employees in the organization. It is equally the process of managing the organizations greatest assets (the people). Talent management can be defined as “a set of interrelated workforce-management activities concerned with identifying, attracting, integrating, developing, motivating and retaining key people. Talent management activities include performance management, succession planning, talent reviews, development planning and support, career development, workforce planning and recruiting” (Heine & O’Neill, 2004). It is an integrated process of ensuring that an organization has a continuous supply of highly productive individuals in the right job, at the right time to ensure strategic outcomes are achieved and competitive advantage is sustained (Hewitt 2008).

Key components of a highly effective talent management process include:

- A clear understanding of the organization’s current and future business strategies.
  Identification of the key gaps between the talent in place and the talent required to drive business success.
- A sound talent management plan designed to close the talent gaps. It should also be integrated with strategic and business plans.
- Accurate hiring and promotion decisions.
- Connection of individual and team goals to corporate goals, and providing clear expectations and feedback to manage performance.
- Development of talent to enhance performance in current positions as well as readiness for transition to the next level.
- A focus not just on the talent strategy itself, but the elements required for successful execution.
- Business impact and workforce effectiveness measurement during and after implementation.

Statement of the Problem

The growing recognition that talent is a sustainable competitive advantage coupled with a realistic view of the complexity and scope of changes in the global workforce has led to a renewed focus and urgency around talent management. Organizations today face formidable talent challenges. The ability to sustain a steady supply of critical talent is a big challenge facing all organizations especially the ones in Nigeria. These workforce challenges include: attracting and retaining skilled professional workers, developing manager capability, retaining high performers, developing succession pool depth and addressing shortages of management or leadership talent. Most organizations lack the basic capability to develop talent effectively. In today’s uncertain economic environment, it is important that organizations address talent issues properly. Unfortunately, most organizations in Nigeria are still struggling to instutionalize effective talent management practices and programs. Many still dismiss talent management as a short-term, tactical problem rather than an integral part of long-term business, requiring the attention of top-level management and substantial resources of the organization. The question is: How do we tackle the menace of effective talent management in Nigerian organizations to ensure effective and efficient performance?

Objective of the Study

To identify the effective talent management imperatives.

Theoretical Review

This study builds on an integrated strategic framework (Competency Framework) for Talent Management which requires a solid foundation – a competency platform which clearly defines the technical and behavioral attributes key to success. This platform must be robust, transparent, flexible and easily understood in order to be effective. From this platform, talent applications can be anchored on: accurate and objective talent selection, rapid induction and core skills training, management and leadership capability development, effective performance management systems, retention and succession planning frameworks. By applying a systematic framework to evaluate employee attributes at any stage in their career, an organization can build a real time snapshot of the overall capability of its workforce and tailor business and HR strategies accordingly (Gangani, McLean & Braden, 2006).Recruiting the right people is the first step in an effective talent management system(Accenture 2006).Recruitment and selection has become an increasing challenge for organizations as a result of the continuing global skills shortages. Poor selection decisions can result in further recruitment costs, training and orientation costs, reduced profit, loss of competitive advantage, impaired image and reputation (Nankervis, Compton and Baird 2005).

Organizations need to refine their attraction; recruitment and selection approaches to ensure they have the right talent on board to enable them remain competitive. A global perspective that embraces a diverse workforce is critical.

However, the right induction program can help reduce employee anxiety, improve productivity and save money. Career development opportunities have a significant impact on job satisfaction and effective commitment or engagement to an organization which both contributes directly to the retention of productive employees (Beames 2001).A performance management system can improve productivity and morale if designed and implemented effectively. Performance management systems should be clearly linked to training/development and recognition/reward systems within the organization in order to maximize productivity and retention (Stone 2002).Companies can also protect themselves against litigation resulting from discrimination or wrongful dismissal claims through the use of valid and fair performance management systems (Gliddon 2004).

Finally ,employee retention is a key issue for top executives in organizations around the world .Employees must compete to attract and hold the talent they need to fulfill their organizational objectives (Hermon 2005).So, organizations with high quality leadership development programs and formal succession management programs have superior business results(Bernthal and Wellins 2006).

Review of Related Literature

Oracle White Paper (2012) studied “The future of talent management: underlying drivers of change. The paper x- rayed how current business and talent management processes and technology must evolve in order to effectively deliver business value in the next 5 to 10 years. The study anchored on the unified talent management systems and processes identified as the final stage in the talent management evolution.

Oracle White Paper (2012) carried out research on “The future of talent management: Four Stages of Evolution. The paper discusses the future state of talent management, focusing on the four pillars that will support it. The pillars include: digitized global talent pools, predictive succession and career planning, workforce development through simulations and gaming, orchestration of business and talent management strategies and systems. Examining the four stages of maturity and further defining the future of talent, this paper provides a practical tool that companies can use to measure where their applications strategies fit within the talent management maturity model.

Hewitt Associates and the human capital institute (2008) undertook a comprehensive study seeking to assess the state of talent management practices in companies today. The research provides results from both a quantitative survey and qualitative interviews. The survey was designed to gauge the maturity level of a comprehensive set of talent practices; that is, the extent to which an organization’s practices are sophisticated, progressive, and practical and well executed. The findings revealed that combination of both qualitative and quantitative results helped shape a better understanding of the complex issues surrounding talent management.

Reasons for Effective Talent Management in Organizations

The concept is crucial since effective talent management ensures that organizations can successfully acquire and retain essential talent. The reasons for effective talent management can be adduced thus: Skill shortages-Globalization has scaled up competition and placed pressure on organizations to utilize human capital as effectively as possible. This inevitably underscores the need for effective talent management in organizations. Generational changes-changes in demographic composition of the workforce have tremendously increased the need to manage talent effectively (Frank and Taylor 2004).Changes in generational trends are occurring worldwide (Busine and Watt 2005).Organizations need to stay abreast of changes in employee expectations in order to attract and engage valued employees. Business success- Effective talent management practices can create enduring competitive advantage where financial capital is broadly available and no longer serves as a barrier that separate competitors.

Conclusion and Recommendations

Talent is a required strategic asset in any organization since it can be nurtured, developed and trained to coin out its effectiveness and efficiency. Talent management is the process of managing organizations greatest asset: their people .It is a complex discipline, encompassing a wide array of programs and processes which must be followed strictly if organizational goals are to be actualized. Organizations that can more fully engage their employees through an effective talent management strategy will definitely have a competitive advantage. In addition, for organizations to succeed in the hyper-competitive and increasingly complex global economy they must have the best talent. This underscores the need to hire, develop and retain talented people who are prerequisite for achieving optimal results in organizations. Talent is an increasingly scarce resource and must be managed effectively. The relevance, timeliness and effectiveness of talent management require a strategic alignment to the business plan, Proactive, rather than reactive strategies. The investigators articulated the following recommendations: Talent management strategy should be in sync with business strategy objectives and human capital context to ensure effective talent management implementation. Talent management practices in all organizations must be progressive and effective. Business goals need to be translated into workforce needs in order to drive success and that organizations should provide the training and support managers and employees need to build their skills and capabilities.

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Impact of Poverty Alleviation on the Nigerian Economic Growth

Udude Celina C.

Abstract
Alleviation of poverty is the most difficult challenge facing any country in the developing world where on the average majority of the population is considered poor. Thus, this paper tries to evaluate the impact of poverty alleviation on the Nigeria economy. More so, it tries to ascertain those poverty alleviation programmes, problems and solutions. Among the Reviewed Programme/Institutions for Poverty Alleviation in the paper are; The Directorate of Food, Roads and Rural Infrastructure (DFRRI), Better Life Programme (BLP), National Directorate of Employment (NDE) and The Agricultural Credit Guarantee Scheme. In estimating the model for the study, the paper used three steps methodology. These steps included; Statistical Analysis of time series, Cointegration Analysis and error correction mechanism. It was found from the model specified that there exist a unique long run relationship among RGDP, PCI and ACGSF. The absolute value of the coefficient of the error correction term indicates that about 0.18 percent of the disequilibrium in the long run is offset by short-run adjustment within a year. There is need to direct focus on target approach towards poverty alleviation programmes in Nigeria.

Introduction

Background of the Study

Alleviation of poverty is the most difficult challenge facing any country in the developing world where on the average majority of the population is considered poor. Evidences in Nigeria show that the number of those in poverty has continued to increase. For example, the number of those in poverty increased from 27% in 1980 to 46% in 1985; it declined slightly to 42% in 1992, and increased very sharply to 67% in 1996. By 1999 when the past administration came to power, estimates had it that more than 70% of Nigerians lived in poverty. That was why this government declared in November 1999 that the N470 billion budget for year 2000 was "to relieve poverty." Before the National Assembly even passed the 2000 budget, the government got an approval to commit N10 billion to poverty alleviation programme.

In the 2001 budget, the government has increased the allocation to poverty alleviation programme by 150%. This idea of poverty alleviation was received with high hopes especially given the speed with which this present administration tackled the fuel problem as soon as it came to power. Poverty alleviation was seen as a means through which the government can revamp the battered economy and rebuild self-esteem in majority of Nigerians who had been dehumanized through past military regimes

Statement of the Problem

One of the main issues in development debates is how to tackle poverty. Thus, poverty alleviation is seen as a function of economic growth. The constraints to developing the nation as well as the problems of these critical sectors have come to loom very large. For over four decades in Nigeria, all attempts to put the economy on course of development have failed. Conditions have continued to worsen and poverty has become a major issue in the country in spite of their potentials. Therefore, a major concern to governments, multilateral institutions and policy makers in Nigeria is to identify appropriate tools for poverty alleviation in the country.

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The country however, present problems that are a contradictory paradox of its natural resource endowment. As noted by Chinsman (1998), rural communities are seriously marginalized in terms of most basic elements of development. In addition, the inhabitants tend to live at the margin of existence and opportunities. Most communities lack potable water, electricity, health care, educational and recreational facilities and motorable roads. They experience high population growth rates; high infant and maternal mortality, low life expectancy and a peasant population that lacks modern equipment that can guarantee sustainable exploitation of the natural resources on which they live.
To date, poverty situation in Nigeria remains a paradox, at least from two perspectives. Firstly, poverty in Nigeria is a paradox because the poverty level appears as a contradiction considering the country's immense wealth. Secondly, poverty situation has worsened despite the huge human and material resources that have been devoted to poverty reduction by successive governments in Nigeria with no substantial success achieved from such efforts. Nevertheless, since poverty remains a development issue, it has continued to capture the attention of both national governments and international development agencies for several decades. Indeed, since the mid–1980s, reducing poverty has become a major policy concern for governments and donor agencies in all poverty–stricken countries, Nigeria inclusive. Thus, there is need to answer the following questions as they will help to give insight to the research paper .To what extent has poverty alleviation contributed to economic growth in Nigeria? What are the problems and possible solution facing the success of poverty eradication programme?

Objective of the Study

1. To evaluate the impact of poverty alleviation on the Nigeria economy.
2. To ascertain those poverty alleviation programmes, problems and solutions.

Operational Hypothesis

H_O**:** Poverty alleviation does not have significant impact on economic growth in Nigeria

Literature Review

Central to the quest for policies and programmes that will reduce poverty is the issue of the conceptualization of poverty. Conceptually, three dominant views are identified as the meaning of poverty in the literature. The first view sees poverty as a severe deprivation of some basic human needs at the individual or household level. Put differently, poverty is a material deprivation and this can be assessed in monetary terms. While this conceptualization of poverty makes the quantitative analysis of poverty straightforward and permits comparisons over time and between countries, it fails to recognize non-material forms of deprivation such as illiteracy and social discrimination among others.

The second view has a direct link with the work of Sen (1999) and it defines poverty as the failure to achieve basic capabilities such as being adequately nourished, living a healthy life, possession of skills to participate in economic and social life, permission to take part in community activities to mention a few. This conceptualization forms the basis for the belief that 'poverty is multi–dimensional'. Although, the capabilities framework offers many advantages over the income/consumption conceptualization, yet it is argued that it requires a greater variety of data and that no consensus exists on how capability deprivation at the household level is to be computed.

The third conceptualization of poverty came into limelight in the 1990s and has a fundamentally different approach to the understanding of poverty: subjective poverty assessments. The core of this view of poverty is that poverty must be defined by the poor themselves or by the communities that poor people live in. According to Chambers (1994), the view came out of the work on participatory appraisal of rural projects and has direct relationship with a publication known as *'Voices of the Poor series'* which has three volumes: *Can Anyone Hear Us?*, *Crying Out for Change*, and *From Many Lands*. The subjective view of poverty posits that, poverty has both physical and psychological dimensions. Poor people themselves strongly emphasize violence and crime, discrimination, insecurity and political repression, biased or brutal policing, and victimization by rude, neglectful or corrupt public agencies (Narayan *et al*, 1999). Karlsson (2001) presented five conclusions from the 'Voices of the Poor Series", these are:

- Poverty needs to be viewed in a multidimensional way. Hunger is part of everyone's understanding of poverty. Equally strong is the sense of powerlessness, voicelessness, and humiliation that comes with being poor.
- The state has been ineffective. People everywhere fear police, they hate corruption, and they trust only their own institutions.
- Non–governmental organizations play a limited role. People rely on informal networks.

The World Development Report (World Bank, 2000) extends the concept of poverty beyond income and consumption plus education and health, to include risk and vulnerability, as well as voicelessness and powerlessness. It is not necessarily the case that shocks affect the poor disproportionately, but it is clearly the case that they are more vulnerable, since their economic margin is slim. The poor are often exposed to highly fluctuating incomes, and, particularly, in rural areas, it is common for households to move in and out of poverty (Dercon, 2000; and World Bank, 2000).

The conceptualization of poverty in terms of the risk and vulnerability of those that are poor has emerged at a time when poverty reduction has become an important aspect of the national economic and social policy mix in many developing countries. Indeed, poverty reduction programmes and policies when tied with growth enhancement policies are a high prioritized in national policy design in countries suffering from increasing population pressures and deteriorating living and economic conditions. Thus, there is an implied consensus in the literature that rapid and sustainable poverty reduction depends upon the interaction of a wide range of policy measures.

Tollens (2002) observes that poverty is not an intrinsic attribute of people, but a product of livelihood systems and the socio–political forces that shape them. Thus, poverty reduction is highly desirable. However, some reduction in rural poverty is sometimes accompanied by increased urban poverty as rural poor choose to move to cities, without finding employment and income there. In contrast, successful rural poverty reduction usually works by raising the productivity of the poor, while most urban poverty alleviation efforts are welfare–oriented. Moreover, rural poverty alleviation may reduce migration, thus helping to reduce urban poverty.

Poverty is multidimensional. This suggests that poverty reduction efforts must be multi–targeted and are expected to show wide and diverse dimensions. Solutions to rural poverty have to straddle different disciplines and must encompass economic, social, political and institutional factors. Lifting the rural poor out of their poverty, breaking the poverty circle, through investments in their basic capital stock (physical, human, social) thus appears as sound economic strategy with the added advantage that such economic growth is high quality growth and by definition broad–based and equitable. But, rising out of poverty is no guarantee against falling back into poverty particularly when the centrality of assets for rural poverty reduction is not acknowledged.

Theories of Poverty

According to Akeredolu-Ale (1975) a theory of poverty must identify the forces which govern and determine the pattern of ownership of the factors of production, since it is that pattern that eventually determines the structure of interpersonal and inter-group differentials of wealth and income in the society. Consequently, he has identified four theories, Necessity Theory; the individual-Attributes Theory, the National-Circumstantial theory and the power theory. Some of these theories, such as the necessity theory and the individual attribute theory, which is of relevant to the issue of poverty, deal directly with the phenomenon of economic inequality.

The necessity theory has three variants. These are the functionalist variant, the evolutionist variant and that which has been developed in relation to capitalist entrepreneurial theory. The functionalist theory argues that specialization leads to efficiency and that since different roles are differently evaluated; certain roles are given better rewards than others. Consequently, those who play such roles are placed high in the economic and social hierarchy in the society. This is also how the poor is almost spontaneous. Some of the questions that readily come to mind which are yet to be answered are who does the evaluation of roles? Is it the society in general or the powerful few? What determines the lowest or the highest reward given to roles in the society?

According to Akeredolu-Ale (1975), what seems undisputable is that the emergence of inequalities and of the poor class is not as spontaneous as claimed by the functionalist theory of stratification. The second variant, which is the evolutionist theory, equally holds the view that the poor in the society arise spontaneously with inequality and poverty acting as eliminators of the least fit. The third which derive from the economic history of capitalist (free enterprise) economics does not support the notion of spontaneity. The variant argues that crude exploitation constitutes a major factor in the emergence of the poor class in the society. In this theory, the crude exploitation can give rise to an increase in savings and aggressive entrepreneurship that will result in industrialization. Though this theory has a valid historical basis in terms of the industrial revolution that took place in western countries, it can equally be argued that economic growth will, to a large extent, also depend on growing income-equality. Infact, high income/consumption inequality tends to lower the marginal efficiency of capital in mass production, and consequently retards investment.

The individual-attributes theory holds the view that the poor in the society are the architect of their own misfortunes. The argument of this theory is that the position of the individuals in the society’s hierarchy of income and wealth is assumed to be determined by that individual’s motivations, aptitudes and abilities. While we share the view that an individual’s attribute can be instrumental to his location to his society’s status-hierarchy, we equally assert that these attributes operate only within a structure of possibilities and limits set and defined by forces outside the scope of the individual. These forces are usually determined by the prevailing system of property, class relations and power (Akeredolu-Ale 1975).

The natural-circumstantial theories are generally more directly concerned with the issue of poverty. The focus of these theories is the identification of certain important explanatory variables responsible for poverty. Among these are geographical location and the natural endowment of the individual’s environment, unemployment, old age, etc. A major advantage of these theories is that they have a more immediate bearing on policy than the other theories. These theories hold the view that poverty reduction can be attained without substantial changes in the larger economic, social and political environment.

The central argument of the power theory seems to be that the structure of political power in the society determines the extent and distribution of poverty among the population. In other words, poverty is a characteristic feature of a situation in which the few that possessed the political power organize the economic system to suit their own selfish interests. The extent of the success of the exploiting class will depend on the revolutionary consciousness of the subject or oppressed class; on their organizational capacity to resist exploitation and overthrow the oppressive property system (Akeredolu-Ale 1975). The power theory or the theory of exploitation clearly explains what has been happening in the developing countries, where conditions such as a low political consciousness on the part of the masses and a high degree of centralization of natural resources, which the ruling class could exploit co-exist (Johnson, 1968). A major implication of this theory for policy is that the attainment of a poverty free society required the radical altering of the structure of power in society. This has made the theory appear glooming because of the envisaged implementation difficulty. Even if it is assumed that the revolutionary solution would emerged in the long run, the question as to what can be done now is not answered.

Review of Programme/Institutions for Poverty Alleviation

The Agricultural Development Programmes

This was introduced in 1975 in three enclaves but now cover the whole country. The main objective of the ADPs has been to increase production of food and fiber as well as producer incomes.

The Directorate of Food, Roads and Rural Infrastructure (DFRRI)

The Directorate of Food, Roads and Rural Infrastructure (DFRRI) was created in January, 1986 as an integrated approach to rural development. DFRRI was designed to act as a policy catalyst for the development of the rural areas of the country and lay particular emphasis on the provision of water and the construction, rehabilitation and maintenance of an effective rural feeder road network.

Better Life Programme (BLP)

In 1987, the Better Life Programme was first introduced as a programme mainly for rural women by the then First Lady, Mrs. Maryam Babangida. The programme was generally aimed at complementing the existing Federal Government policy to develop the rural areas.

As the implementation of the programme progressed, it was realized that the scope of the programme had to be widened to include urban women and cooperatives where men were members. Thus, the name was changed from Better Life Programme for Rural Women to Better Life Programme (BLP). The programme generally covered many areas that relate to enhancing labour productivity and entrepreneurship development. Areas covered include: health, agriculture, education, social welfare and cooperatives. The formation of cooperatives in the programme has direct bearing to entrepreneurial development. Numerous fishing, farming, marketing, weaving and sundry craft cooperatives were set-up. The cooperatives were supported in terms of access to credit facilities from People’s Bank, which owes its existence partly to the Better Life Programme. Thus, a linkage was effectively created between the two agencies.

During the Abacha regime, the programme appeared to narrow down its activities and was re-named Family Support Programme (FSP) with greater emphasis on the health component. However, in an attempt to create a more embracing socio-economic poverty alleviation programme by the regime, a new agency called Family Economic Advancement Programme (FEAP) was established. The FEAP was established to stimulate economic activities by providing loans directly to Nigerians through cooperative societies and informal associations.

National Directorate of Employment (NDE)

This is a skill formation and credit-granting scheme with consequences on accelerating entrepreneurship development. The Directorate was set up in 1986 with the underlying philosophy of self -enterprise, which emphasizes self-employment in preference to wage employment. The Directorate implements four core programmes namely, Vocational Skills Development Programme (VSDP), Special Public Works (SPW), Small Scale Enterprises (SSE) and Rural Employment Promotion Programme (RPP). The Vocational Skills Development Programme is a skill acquisition programme, which consists of 80 trades spread through its four ancillary schemes of:

The Agricultural Credit Guarantee Scheme

In 1977, the Agricultural Credit Guarantee Scheme Fund Decree, whose objective was to provide cover in respect of loans granted for agricultural purposes, was promulgated. It was believed that this would encourage commercial banks to loan investment funds to the agricultural sector including the small-scale rural dwellers. However, the main beneficiaries of this programme were the large scale and educated farmers.

Methodology and Data

In estimating the model for the study, we used three steps methodology. These steps include;

i. Statistical Analysis of time series (Test for unit root using Augmented Dickey-Fuller) to ascertain the stationarity or non stationarity status of the data series.
ii. Cointegration Analysis and the estimation of the long run equilibrium models using Johansen (Trace and Max-Eigen Statistics) cointegration test.
iii. To obtain the parsimonious short run dynamic model of Economic Growth through the error correction mechanism which have been shown to better capture the short run dynamics of the relationships.

Data for the study were obtained from various CBN Bulletins, Annual Reports and Statement of Accounts, National Bureau of Statistics [NBS] which cover the period 1980-2011.

Empirical Model Specification

The model specified, tries to capture the impact of poverty alleviation on economic growth. This implies that economic growth is a function of poverty reduction. The model is specified as follows:

RGDP = *f*(PCI, ACGSF)

The econometric model estimation is of the form:

$RGDP = \lambda 0 + \lambda 1PCI + \lambda 2ACGSF + \Psi$…………………………………(1)

$\lambda 1 > 0$, $\lambda 2 > 0$ Where

RGDP = Real Gross Domestic Product, a measure of economic growth

PCI = Per Capita Income

ACGSF = Agricultural Credit Guarantee Scheme Fund

Ψ = Error term

Empirical Model Specification

The model specified below tries to examine the impact of poverty alleviation on the economic growth in Nigeria. The model implies that economic growth is a function of poverty reduction. The model is specified as follows:

RGDP = *f*(PCI, ACGSF)

The econometric model estimation is of the form:

$RGDP = \lambda 0 + \lambda 1PCI + \lambda 2ACGSF + \Psi$………………………………(1)

$\lambda 1 > 0$, $\lambda 2 > 0$,

Where

RGDP = Real Gross Domestic Product, a measure of economic growth

PCI = Per Capita Income.

ACGSF = Agricultural Credit Guarantee Scheme Fund

Ψ = Error term

Results of Poverty Alleviation and Economic Growth

Results of Unit Root Test for Poverty Alleviation and Economic Growth model

Unit Root Test: Summary

Series: RGDP, PCI, ACGSF

Null Hypothesis: D(RGDP) has a unit root

Exogenous: Constant, Linear Trend

Lag Length: 0 (Automatic - based on SIC, maxlag=0)

	t-Statistic	Prob.*

		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-12.12529	0.0000
Test critical values:	1% level	-4.296729	
	5% level	-3.568379	
	10% level	-3.218382	

*MacKinnon (1996) one-sided p-values.

Null Hypothesis: D(PCI) has a unit root
Exogenous: Constant, Linear Trend
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-17.79619	0.0000
Test critical values:	1% level	-4.296729	
	5% level	-3.568379	
	10% level	-3.218382	

*MacKinnon (1996) one-sided p-values.

Null Hypothesis: D(ACGSF) has a unit root
Exogenous: Constant, Linear Trend
Lag Length: 0 (Automatic - based on SIC, maxlag=0)

		t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic		-8.166983	0.0000
Test critical values:	1% level	-4.296729	
	5% level	-3.568379	
	10% level	-3.218382	

*MacKinnon (1996) one-sided p-values.

* Probabilities for Augmented Dickey-Fuller tests are computed using an asymptotic Chi-square distribution. All other tests assume asymptotic normality.
Source: Authors Computation

The null hypothesis of non stationarity of all the variables is however rejected at the five percent level of significance after first differences, indicating that all variables are stationary in their first differences. Given the unit root properties of the variables, we proceeded to establish whether or not there is a long run equilibrium relationship among the variables in the poverty alleviation and economic growth model using the Johansen Trace and Maximal Eigen value test. This is presented below.

The conclusion drawn from the test is that both the Trace and Maximal Eigen Value Tests indicate one cointegrating equation each at the five percent level of significance. The null hypothesis of no cointegration relationship among the variables in the model is rejected. This implies that there exist a unique long run relationship among RGDP, PCI and ACGSF. Since there is one cointegrating vector, an economic interpretation of the long-run Real Gross Domestic Product and the explanatory variables; PCI and ACGSF can be obtained by normalizing the estimates of the unconstrained cointegrating vector on the specified model. The identified cointegrating equation was used as an error correction term (ECM) in the error correction model. This series forms the error correction variable. So far the result shows that the variables in the poverty alleviation and economic growth model tend to move together in the long run as predicted by economic theory. In the short run, deviations from this relationship could occur due to shocks of any of the variables.

Series: RGDP PCI ACGSF
Lags interval (in first differences): 1 to 1

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.597727	53.08237	29.79707	0.0000
At most 1 *	0.460058	25.76364	15.49471	0.0010
At most 2 *	0.215332	7.274851	3.841466	0.0070

Trace test indicates 3 cointegrating eqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

The over parameterized error correction model (ECM) shows how the system adjusts to the long run equilibrium implied by the cointegrating equation. This is presented below.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-320199.2	39656.19	-8.074381	0.0000
PCI	214.2373	14.05616	15.24152	0.0000
ACGSF	0.003078	0.003794	0.811216	0.4249
ECM(-1)	-0.001815	0.003105	-0.584558	0.5641
R-squared	0.982389	Mean dependent var		386571.4
Adjusted R-squared	0.980275	S.D. dependent var		193803.8

F-statistics 464.85

In the over parameterized model, the error correction term (ECM_{t-1}) is well specified and is of the expected negative sign in the Real Gross Domestic Product (RGDP) function. The absolute value of the coefficient of the error correction term indicates that about 0.18 percent of the disequilibrium in the long run is offset by short-run adjustment within a year. This implies a low speed of adjustment. In this case the full adjustment is achieved and takes twelve months to complete the cycles. In addition to the disequilibrium, the results in the over parameterized model shows that RGDP is influenced by the explanatory variables; PCI and ACGSF. The coefficient of multiple determination (adjusted R^2), in the over parameterized model used in measuring the goodness of fit of the estimated model is 0.9803 indicates that about 98 per cent of variations of the dependent variable are explained by the joint effects of the explanatory variables. The high value of adjusted R^2 shows that the overall goodness of fit of the model is satisfactory. The F statistics of 464.85 shows that the overall regression is significant at the five percent level of significance and is a good fit, as confirmed by the P-value [0.000000] of F-statistics.

Conclusion

This research work sought to examine poverty alleviation as a function of economic growth in Nigeria. It advances some views on the causes of Poverty in Nigeria which include; lack of capital, corruption, low productive capacity, bad governance, poor macroeconomic policies etc. Poverty contributes to poor agricultural productivity, as many farmers in Nigeria cannot afford to purchase necessary farm inputs such as fertilizers, pesticides and improved seeds, which would bring about increased productivity. Also, the ability of poor consumers to purchase food necessary for maintenance of health and productive life is reduced. The over-riding objective of government's poverty alleviation policy is to broaden the opportunities available to the poor and ensure that every Nigerian has access to basic needs of life, food, potable water, clothing, shelter, basic health services and nutrition, basic education and communication. The overall goal is improved living conditions for the poor. The goals are, of course, an array of sector specific objectives to be pursued in order to ensure the success of the policy.
Nigeria's poverty alleviation is buttressed on the integration of the citizens into an economically, politically and socially sound society with equal opportunities to live a healthier, richer and fuller life. It is now obvious that poverty alleviation cannot be accomplished without ensuring individuals' access to resources and opportunities.

In the year 2001, government put in place the National Poverty Alleviation Programme (NAPEP). The programme was aimed alleviating abject poverty in Nigeria. However, there is need to direct focus on target approach towards poverty alleviation programmes in Nigeria. These poverty alleviation programmes integrate the following; economic growth approach, basic needs approach, rural development approach. etc

Globalization and Development: The Challenges of Leadership in Nigeria

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Abstract
This paper is on globalization and development: the challenges of leadership in Nigeria. Globalisation is the process of intensification of trade and liberalization of contacts world-wide. It involves the collapse of barriers to trade and business and leads to development. Development simply means bringing into existence anything new. Development leads to improvement in standard of living and is the realisation of dreams of rational leadership. The question has been on the preparedness of the Nigerian leadership at all levels to grapple with the demands of globalisation in the quest for development. Secondary source was utilised in gathering data for the study. Findings show that globalisation has led to improvement in technology and better processes of production, quicker access to information through ICT and better standard of living. Also globalisation has led to improved access to gender sensitive education, widened the scope of government activities and acceptance of democratic norms. However, globalisation has brought in its wake insecurity, bomb scare, terrorism and imposition of governments by the West. Findings have also shown that globalisation has resulted in job loss in SMEs, business failure, structural unemployment and heightened competition beyond the reach of SMEs. Globalisation has implications for Nigerian leadership in education, infrastructural acquisition, competition and adaptation. It is concluded that Nigeria is less likely to meet with the challenges of globalisation, because of leadership and policy somersaults, in the nearest future. It is recommended that emphasis of Nigerian leadership should be on home grown democracy in the form of diarchy, less costly governments with checks and balances, avoidance of conspicuous consumption and the attendant insecurity and terrorist activities, education on security and conflict management and entrepreneurial skills acquisition to combat the deleterious effects of unemployment.
Keywords: entrepreneurial skill, terrorist activities, leadership, policy somersault and globalization.

Introduction

Globalisation, though a phenomenon that has been with us for over 100 years, has assumed a new dimension and growth. Globalisation is the process of internationalization of business, culture, politics and administration. It is the process of intensification of economic, political, social and cultural integration across international boundaries. It is a situation where the world is made a village and access to information and technology is made easy and affordable. What drives globalisation include ideas, philosophy, intellectual knowledge/brain power, innovation, global market competition, information superhighway propelled by internet, satellites, fibre optic cables, world wide web (WWW), and as Ifeanacho (2011:1) puts it "the whole gamut of advanced methods of information and communication devices. The dynamism and new growth of globalisation seems to have been caused by global economic integration occasioned by the widening and the intensification of international co-operation and trade liberalization, finance and means of communication. While liberalization of economic policies and the technological discoveries underpin globalisation, Grant (1996:23 – 26) avers that it has engendered a process whereby national borders cease to be impediment to the movement of products and capitals. Nazomba (1995:L2) however believes that globalisation has

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resulted in the interlinking of national economies into independent global economy and the development of a shared set of global images.

No doubt globalisation has engendered and resulted in the integration of national economies in which not only exchange but also production and finance are articulated on a large and pervasive scale. A borderless physically irrelevant and shared economy has emerged. Nations key into it with different capacities, philosophies and levels of preparedness. There is interconnectedness of people, culture, economies, societies, ideas and governments across borders and boundaries. Improved trading opportunities, transportation and migration are made possible, through Information and Communication Technology (ICT). Where Nigeria is placed in the milieu, the focus of leadership and the direction of state principles and policies propel and determine the citizen's satisfaction and achievement of standard of living. The understanding of the neo-colonial posture of the globalisation process and the pro-west trappings suggest that globalisation should be taken with caution by developing countries including Nigeria. That globalisation forms the basis of the industrialized world characteristic of limited government intervention in the economy is to say the least a truism. Trade liberalization and deregulation, privatization of enterprises and commercialization have resulted in market competition and any country without entrepreneurs with innovative tendencies is sure to be left out. The spate of insecurity and restiveness in Nigeria; the increased rate of business failure and the alarming level of affluence and fraud and the concomitant conspicuous consumption and display of wealth are wrong signals to a battered nation like Nigeria. It is therefore necessary that an attempt be made to look into the leadership challenge of the government vis-à-vis globalisation and development.

Development simply means the acquisition or realization of a new phenomenon including tangible and intangible want – satisfying products. Chew et al (2006) affirm that globalisation has a true formative or development effect on every aspect/facet of organizational life – manufacturing and service sectors. Globalisation ordinarily should lead to survival, development and growth. It should also catalyze qualitative improvement of the production process of input – throughout (conversion technology) – output framework which form the bedrock of any economy. Leadership which is proactive, adaptive and repositioned to strategically achieve global competitiveness is bound to succeed under global setting (Orga, 2011:21). The implication of the above is the need to adjust and promptly respond to the environment for growth and survival. The need for creative thinking, innovative leadership and adaptive leadership has not before been desirable as it is now. Ifeanacho (2011:3) informs that globalisation acts as a two-edged sword: it slashes the throat of the weak while it further strengthens the hand of the strong. This implies that global players are not equal and the tendency for the strong to swallow the weak seems to be the principle of globalisation as well as warning to the feeble and unprepared economies and national players.

It must be understood that the primacy of the nation-state is inexorably being supplanted with trans-national and or multinational companies with increasing globalisation. Wokoms and Iheriohamma (2010) accept that the global arena presents opportunity of gainers and losers hence while some firms and governments are having swell time, conquering ages and surmounting intense competition and ultimately going global, others are finding it difficult to exist and survive the global competition and adverse economic features.

Challenges of Leadership in Nigeria

Leadership simply means influencing people through any means to behave in a desired way. Leadership in Nigeria has three levels: National, State and Local. The laws are either exclusive or concurrent. Leadership in Nigeria therefore is important at all levels to achieve the gains of globalisation and join the gainers of globalisation. Nigerian leadership faces numerous challenges including insecurity, unemployment, corruption, militancy, terrorism, religious intolerance, fraud, policy somersault and poor implementation of policies. Others include sabotage and lack of continuity of policy by succeeding governments and the syndrome of abandoned projects. The above are severally buttressed by researchers, academics and writers on social issues in Nigeria. Aginam (2011) asserts that Nigerian leadership is bedeviled by corruption and will find it extremely impossible to be a major global player. Ake (1996:114) in an earlier work instructs that corruption in Nigeria is the bane of leadership, a cankerworm and a pandemic. Perhaps the easiest assertion in Nigeria is that leadership at all levels is corrupt.

Corruption in leadership has however, survived generation and ages; people stop complaining as soon as they are appointed into positions of leadership and authority and they join Corroborating the above, Banjo (2000) while describing globalisation as the wicked machine of the imperialist, avers that corruption in Nigeria is systemic and needs urgent surgical operation. Truly, corruption has outlived governments because of the systemic nature. The system allows and "approves" corruption through institutional "bareness". The agencies that fight corruption too often are filled with corrupt crime fighters. The security agents sometimes have been found to have aided, and sometimes involved in corruption. Akindele, Gidado and Olaopa (2002) believe there are complications and consequences of globalisation for Africa and insist growth and survival of any nation hinges on the leadership. A corrupt leadership definitely will not be trusted; distrusted leadership may not produce a global player that is efficient and result oriented.

The question has been if there is a correlation between insecurity and unemployment. Onwuka (2009) informs that unemployment among the youths has reached an alarming 60 per cent rate. A hungry man is an angry man; unemployment can hardly present food on the table for a person especially in Nigeria where the social security is zero. Where pensioners are owed years of areas of pension, little hope is presented for the unemployed to be catered for by the State. The result is of course insecurity and youths being ready tools in the hands of mischief makers and terrorists. It is not surprising that churches are burned, suicide missions are undertaken and mayhem unleashed on the people by others who are either paid N7500 or promised the same amount. People no longer find meaning in the project called Nigeria and can go to any length to make it ungovernable. Chigbo (2008) warms that under the spate of insecurity in Nigeria' and the religious intolerance, foreign capital will be difficult to be admitted. May be Chigbo (2008) was foreseeing Nigeria. The situation today is worse than he imagined. Corpers are relocated or killed, state of emergency and curfew are imposed and citizens, not just foreigners, are living in fears and may have relocated from the northern states of Kano, Plateau, Borno and kaduna. The craze seems unending and leadership of security organs are changed with greater vigour and the menace is not abetting. Proliferations of small arms have given way to the manufacture of bombs and the song writer Sunny Okonsun seems to be re-echoing – "which way Nigeria; many years after our independence".

Violence in The North, militancy in the Niger delta and political tuggery in Western Nigeria combined to stifle the admission of foreign capital. Kidnapping in the East and ethnic clashes in the North Central have literally swept foreign direct investment from Nigeria; China has overtaken the West in low cost of production. The oil money has provided enough dollars for Nigeria to buy foreign goods including tooth picks and plantain chips. The rate of business failure has correspondingly increased (Orga, 2011). chigbo (2008) while admitting the increase in the rate of business failure in Nigeria warns that the leadership should take urgent and pragmatic approach to rescue Nigeria from sinking further as a failed country.

The implication of the high and alarming level of insecurity in Nigeria is that huge funds are sunk into security equipment and technology. Irony! The further implication is that the diversion of funds from social, political and infrastructural development to combating crimes will make the fund never available for the development of the country. The rehabilitation of the militants goes beyond training the ex-militants to efforts being made to re-admit them in the society they were once terrors. This seems more costly than training them because the scars of what they did will hardly pass unnoticed and will continue to haunt them and make them objects of scorn. A rehabilitation programme that downplays reconciliation of the militants and terrorist to their society may not succeed in the long run. The above is inferred by Obadina (1998) when he writes "given the mayhem unleashed by these hoodlums (militants and the Boko

Haram members) the healing process may take longer than envisaged". This is understood in an African setting that abhors spilling of blood and man's inhumanity to man. The leadership in Nigeria no doubt has more than it bargained for.

Businesses are usually established to serve a purpose. The purpose is determined by the ownership structure and size of the business (Onyenoru, 2003:8 – 19). The implication therefore is that businesses are not usually established to failure. Business failure therefore is not a welcome development in any society. Ile (2003:60) asserts that business failure can be caused by internal factors as well as external environmental factors such as government policy, economic issues and globalisation. The effects of globalisation on business according to many economic researchers are negative (Vanhamen, 1990; Weizman, 1993; Onyeonoru, 2003 and Obaseki, 2000).

The rate of business failure in Nigeria has increased in the last ten years as a result of intensive globalization of the economy and extreme liberalization (Obaseki, 2000:15). The information and communication technology access has increased in the recent years. A look round the streets indicates that shops keep closing down everyday. As Okaro and Ohagwu (2010:323-327) put it 'business close down, even medical radiography, due to poor public infrastructure and unstable economic environment and suggest that if government shows interest in the provision of basic infrastructure and incentives, a turnaround would be possible'.

The economic environment, propelled by the information resources can be tapped by the government to improve business stability and reduce failure. The business environment vide economic cannot be improved in isolation. The efforts by government and individuals in managing information seem not enough in the wake of globalisation. Agbaeze (2000:92) reiterates that entrepreneurship development, which is on the downward trend, can be re-engineered through proper management of information; information management has however become difficult and businesses fail more rapidly due to global issues which Nigerian leadership seems not to track". The above is succinct enough to establish a relationship between globalisation and business failures. Information flow has become too rapid for an average business to harness. The world is a village and individuality has become extinct. The size of the business has obviously not helped matters. The paucity of funds, the frequency of changes in policy and black of infrastructural development are enough to throw out weak and poorly managed businesses.

Job losses as Weizman (1993:314 – 335) puts it "is a major feature and implication of globalised economy. AbdulRaheem (2003:9) asserts that "economic globalisation should not be driven by the desire to make money. The profit motive rarely takes into account the poor and the disadvantaged or long term need of the planet. Unregulated global economy is inherently unstable". The implication of the above is that collective action is needed to safeguard global ethic that will regulate globalisation. Efforts are therefore expected to be made by the Nigerian government to counter the deleterious effects of globalisation, the chief of which according to Bayo (2002: 36 – 37) is job loss and poverty. The fear is that Nigeria is being excluded from globalisation of prosperity and is experiencing globalisation of poverty following absence of measures to prosecute the globalisation process to the advantage of Nigeria. Bayo (2002) further opines that Nigeria rather has increase in job losses instead of prosperity and job gains. He concludes that globalisation is a process that affects firms, industries, economies and nations.

Obadina (1998:32) opines that globalisation has become a "threat to the poor rather than an opportunity for global action to eradicate poverty". Arguing further, Obadina contends that the "concept of absolute freedom that underlies the rationale for globalisation is the same notion used to justify slavery and colonization." It is equally anchored on the "belief that the strong, however defined, should be free to exercise their strength without moral or legal limitations that protect the weak". The implication here is that the free-market undertone of globalisation is a farce; "greed and ethos of winners takes all" and a beggar their neighbour" philosophy are rather what globalisation designers look forward to being colonialism in another form. Aknitude, Gidado and Olaopo, (2002:9) posit that a “manifestation of these negative impacts is the replacement of the traditional and hunting for economic sustenance with a petrol-dollar economy with the attendant job losses”. The World Bank (1995) noted the impact of oil exploration in the Niger Delta (particularly Ogoni communities) by the forces of globalisation has decreased agricultural productivity and fishing in the areas leading to prevalence of poverty which was put above the national average. Globalisation has led to increased oil exploration which in turn has depleted the resources of some communities and left them impoverished and jobless.

CONCLUSIONS

The challenges of leadership in a globalised economy are numerous and have implications for development of the individual, firm and the nation. The increase in international competition has resulted in firms especially SMEs being under increased pressure from competition-products mature, technology becomes available; companies seek lower cost location in production. End goods and services produced within the country are expanded under globalisation and cluster development is inevitable, these require infrastructure. Today, leap service is still being paid to infrastructural development in Nigeria – telecommunication and power are still epileptic despite their constant tariff increases. Unemployment has soared and has relationship with the spate of killings, bombings and general insecurity in the land. An employed youth is less likely to be involved in bombing, kidnapping and militant activities.

The leadership of the country and the leadership of SMEs are seemingly unaware of the hurricane effects of liberalization and internationalization of business and trade. There are little proactive measures taking place in the economy. Globalisation and development require innovation and proactive measures and this is not presently available in the leaderships in Nigeria. Nigerian leadership is less likely to take advantage of globalisation and even the generous advantages of cluster development and localization. The leadership is largely reactive, corrupt and prone to danger. The dangers include bombing, unemployment, militancy, business failure, inflation and dumping of goods by countries like China with lower costs of production.

Recommendations

From the findings and the conclusions we recommend a drastic departure from the present leadership structure of the nation. A leadership which acts with military precision and is still people-oriented is most expedient now. A diarchy, even as an interim measure is needed urgently. The military should occupy the top-federal seat with reduced number of members of the federal legislature, may be one person from each state. A unicameral legislature should be in place. The position of governor – general should be re-instituted. All these are likely to cut down the cost of governance and release funds for development.

The local government system should be restructured and chairmen appointed with not more than three persons to constitute the finance and general administration. Skills acquisition programmes should be given a better vigour. Religious men should be called upon to hold sensitive positions in order to return the country to the path of sanity. Education should be massified and directed at technical skills acquisition and short courses. Self-employment programmes should be supported by government, policy somersaults should be avoided. Models of production and planning control and resource scheduling should be taught to increase the knowledge base of technicians and artisans.

The anti-graft agencies should be scrapped and the police equipped to handle crime. The multiplicity of anti-graft agencies has positive correlation with the level of crime in the country, more anti-graft agencies more crimes. Corruption, conspicuous consumption and display of affluence can only be nipped in the bud if an automatic control system/mechanism is put in place to track criminals. The Nigerian leadership needs complete overhaul now to avoid imminent revolution as has happened in Arab countries including African countries. Every effort should be made to extricate Nigeria from the present asymmetrical warfare being waged by people masking under the Boko Haram; the government for now.

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Perspectives on Leadership, Institutions and Development.

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Abstract
We argue that the task of leadership revolves around management of institutions – their creation, development and change. As rules of the game, institutions are all there is to take hold of, and use, in the leadership quest to move a society from one level to a future level. We propose an institutional conflict matrix, which indicates what task leadership should undertake and what tasks must be incorporated into an administration's agenda. If heeded, this will result to higher leadership performance, directly impact societal and group needs and provide enduring legacy for political and other regimes.

Keywords: institutions, leadership, development, regime agenda

Introduction

Leaders lead. In spite of the initially contentious but increasingly complimentary views of researchers concerning the ways and means by which leaders do what they do, no confusion exists about their mission. But in this mission lye several considerations which are often glossed over, which then hinder or derail fulfillment. One of them is the place of institutions in a society's development, and leadership's role therein.

All groups and societies, nations and groups of nations have leaders chosen by, or thrust upon, them, most of who profess to be taking their groups to new heights. Surprisingly, all groups, societies, nations and groups of nations have experienced varying degrees of failure in the realization of their potentials. In cases where the development of such potentials could be said to be on course there have been unacceptably frequent reversals as exemplified by the German, American and Japanese societies. These facts suggest that the direction societies should be headed or goals on which they should be focused are often left out and instead courses inimical to the interests of the society are embarked upon. Does this result from the decisions of the leaders (who can be described as the drivers) or forced upon them by their followers (who are like the passengers) or attributable to external influence (the way bad roads and harsh weather influence drivers and pilots)? Whichever, it certainly would be immensely beneficial to the society should there be a way for leaders to establish what they need must focus upon in furtherance of the interest of the society. This work is intended as a contribution in that direction.

The rest of the paper is organized as follows: section two sketches perspectives on leadership. Section three considers institutions. In section four we look at institutional conflict and develop an institutional conflict matrix. In section five, some implications of the institutional conflict matrix are documented. Section six concludes with the main task of political leadership.

2. Perspectives on Leadership.

The idea that leaders lead, belies the conception that every society is in motion. Leaders are thus leading groups that are moving, moving at different paces, moving smoothly or haphazardly, perhaps rotating around the same point or moving in a definite direction and thus vacating earlier positions.

It is the leader who knows the destination, the goal, whether short, medium or long term. The goal may be a dynamic and changing one, a non-stationary and ever relative goal. The leader alone knows the way, and perhaps what it should take to achieve the goal. So leadership takes up the mantle in a given group and shepherds the group to a new destination over time. And just like the crew of an aircraft which packs up and leaves the aircraft when the flight is over, the leader and his crew must \

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depart when they have done their own bit and leave it to us and history to judge what they have been able to do.

But while they are there what should the leader focus upon? Whatever he considers to be important in furtherance of the journey. It could concern the direction of the movement, the pace of movement or the manner of movement, provided *the leader is seeing the goal at all and understands the road, and is serving the group*. It frequently happens that none of these conditions is satisfied and the advent of such a leader becomes a disaster for the group, and through the group for the entire world. The world witnessed this misfortune in Sadam Hussein of Iraq and Idi Amin of Uganda.

A leader may focus on gratifying members of his group. At lower levels of societal development this leadership behavior may be rated highly by the group on account of widespread deprivation and/or poverty. This is related to Maslow's hierarchy of needs. But distribution, especially of basic needs, is only an aspect of leadership task. While leadership must be attentive to the immediate group needs, the idea should be to disallow the distraction which discomfort constitutes. Visionary leadership is able to keep in focus the distant goal of the journey while deftly steering the ship of State.

What instrument is available to the leader which he can use for the steering and control of his group? Institutions! According to Khan (2005) institutions refer to norms, rules of conduct and well defined, formal organizations (e.g. political parties, churches, firms, social clubs, schools) that govern the way the society operates. The way the society operates includes the role of the State in economic life, administrative system, judicial system, mechanism of getting into power, law relating to private property and contracts, agencies for regulating economic and financial systems, educational structure, labor market relationships, laws of taxation and inheritance, and arrangement for provision of credit. Leadership itself emerges through institutions. And once the leader emerges, he uses institutions to access the group muscle, group wealth and power, and through manipulating these same institutions, he is able to turn into the tyrant that Hitler was or drive the society on a rapid road to growth and development. He may also be able to stultify progress. Institutions are thus the lever available to leadership for societal manipulation and control in a manner consistent with order and progress. At the same time they set, not just the limit of free behavior by the individual but the limits and thus the range of what is possible. They exhibit the basic nature and characteristic of the society, and reflect the pace, manner and direction of movement.

3. Institutions

Nobel award winner and economic historian, North (1990), defines institutions as the formal and informal rules governing human interaction. We see in this, two defining features of institutions.

First, their cultural context, which places them in the domain of influence of domestic operators. Evidence is growing, as Rodrik and others (2004) found, that desirable institutional arrangements have a large element of context specificity, arising from differences in historical trajectories, political economy, geography and other initial conditions peculiar to a given nation. Successful developing countries – China, South Korea and Taiwan, among others – have often combined unorthodox and therefore domestic specific elements with orthodox policies (for example, Nigeria's option A4). Makand and others (2002) argue that this cultural specificity could account for why important institutional differences persist among the advanced countries of North America, Western Europe and Japan – in the role of the public sector, the legal systems, corporate governance, financial markets, political party affiliations etc. Leadership input in creatively charting culturally effective solutions in the ever dynamic institutional equation is considered critical.

Second, there is a great limitation in transplanting institutions. Institutional solutions that perform well in one setting may be inappropriate in another setting without the supporting rules and complimentary institutions. When the set of informal rules required as platform for formal rules is lacking, the transplanted institution may be unassimilated. This sheds light on Nigeria's bumpy political experience and the on-going search for a truly effective political and administrative model to further the development process.

These features situate the development of competent institutions at home; indeed hint at the evolutionary nature of institutions. Just the way the sub-structure of the society, as the source of the defining influence that shapes the super-structure, just the way this sub-structure is always the object or goal of coercion, and is the instrument of power of the super-structure, so in like manner, institutions are constantly under the pressure of the bourgeois in so far as the institutions have not been neatly tucked away by the society and so beyond the tinkering reach of leaders. They remain the goal of the struggle and an unparalleled instrument of power. Even multinational corporations, powerful as they are in today's globalised world (yes, more powerful than some nation States!), even they are powerless when domestic property rights institutions are weak as Che and Wang (2013) found. Financial and legal institutions have been identified by Sarwar and others (2013) to be especially potent in spurring economic growth and development.

Why are institutions so important for performance? They provide the structure of incentives in the society. The structure of incentives in turn determines performance. In the economic front, for example, three fourths of the income difference between the top and bottom economies in the world (as, for example, between US and Nigeria) has been attributed to differences in institutions, a surprising finding by Acemoglu and others (2001)

Institutions thus play a pivotal role in the evolution of a society, in its growth and development, even more so in developed economies (Khalil and others, 2007). They provide the tangible hold with which a leader can steer the society and without which the successful manipulation of the society is simply out of the question. What can be achieved and what must remain an enigma as, for example, the goal set itself by the Nigerian State in its constitution, all hinge critically on the quality and level of institutions. Well meaning leaders must set their goals in the context of institutional quality and development. Indeed, how a leader has performed should be viewed from the perspective of institutions, their quality and level of development.

How do we categorize the quality of institutions? Several categorization schemes exist, especially with reference to the sub-structure of the society, to which all super-structure operators must pay keen attention. Freedom House, for example, adopts a scheme comprising three areas, namely:

1. The democratization process – taking into account the average political process, the role of civil society, the independence of the media, and the efficiency of government and public administration.
2. The rule of law – summarizing the constitutional, legislative and judicial framework, and the level of corruption, and
3. Economic Liberalization – summarizing the successfulness of privatization, macroeconomic and microeconomic policies.

Using this and other schemes, empirical evidence has accumulated to show that institutions do matter for political and economic performance, taken singly and together. Helliwell (1994) showed the interplay between democracy and growth, analyzed direct and indirect effects of democracy on growth and found that the overall effect of democracy on growth was positive. Rodrik and others (2004) showed that when placed beside geography and economic liberalization, institutions surpassed all as the major determinant of economic performance. The link between economic and political performance is well known. The literature establishes quite well the fact that political leadership, more so on regional and global basis, needs must be established on actual or potential economic power. We see in today's world how the US typifies political leadership on the basis of actual economic power and how China exercises political leadership on the basis of potential economic power.

Since all leaders are, or at least should be, concerned with the growth and development of their constituencies as the key to all they hope to bring about during their tenure, it stands to reason that all leaders should be primarily concerned with institutions. Concern with institutions is equivalent to concern with the enabling framework for development. Where the framework is weak or non-existent, there the only reasonable goal to be pursued is the development or strengthening of the framework. In this way, institutions determine what goals may be realistically pursued by a leader and what amounts to an unrealistic goal-set, being unattainable. Imagine a leader who mounts a throne and immediately sets about a goal for which no support institutions exist in her society. This faintly resembles the promise of President Obasanjo's administration to provide uninterrupted electricity power supply within six months of their assumption of office, while on the ground the possibility for that achievement was not there.

Regime assessment is more meaningful through an appraisal of the institutions the regime met and left behind, for it translates into an assessment of the societies' capacities that were entrenched or built up on the basis of which core-competencies, the sole determinant of comparative advantage, could arise during the regime's era or perhaps could arise in the future. This reliable assessment base-line is what proves, more than anything else, how disastrous a set-back military (or despotic) rule is for a society's development: a disaster in human institutional development (political institutions, religious institutions, socio-economic institutions, etc).

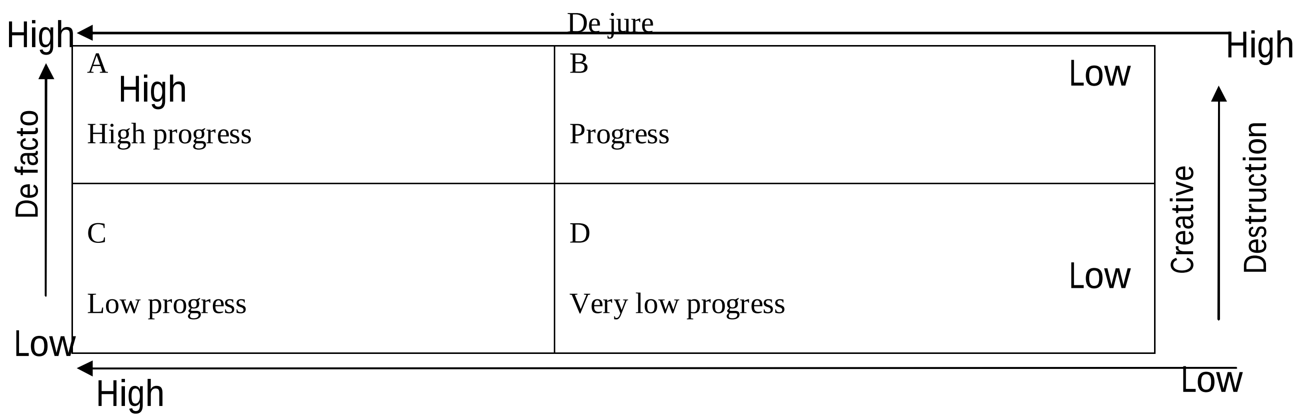
It is precisely in the sphere of institutional development and change that competent political leadership can show itself. Institutional change and development are *sine qua non* because institutions are contraptions arising, not for the present but are results of past processes and past situations, focused on problems that arose yesterday. Hardly are they in full accord with today's needs and trends but often are in conflict with them. The challenge of addressing and creatively (at least proactively) managing the constant need for change in the ways humans interact (also known as institutions) can only be a topmost function reserved for leadership.

4. Conflicts

Conflicts arise from the basic view that today's institutions are products of yesterday's processes, focused on yesterday's problems, while seeking to provide solutions that lead to future growth and progress. By the time the solutions are delivered (which can only happen today or perhaps tomorrow) the problems themselves have changed. For whatever growth that is achieved to continue, new technologies need to be implemented, labour force reallocated and adaptation to globalization trends, made. This entails a never ceasing political and economic reconstruction process which needs appropriately updated and continuously efficient institutions. The institutional framework, if efficient, will successfully oversee this continuous reconstruction otherwise known as Creative Destruction Process (Callebra and Hammour, 2000), which is the hallmark of, and absolutely indispensible for, economic progress.

Conflicts arise in two principal areas: between *de jure* (formal) and *de facto* (informal) rules of the game; also between the Creative Destruction Process (change and progress requirement) and current quality level of institutions (the institutional *status quo*). These divergences and conflicts may be depicted in an institutional conflict matrix as below:

Institutional Conflict Matrix



Institutional Quality

De facto rules of the game refer to the informal rules such as conventions, norms of behavior, sub-culture and self imposed codes of conduct as well as their enforcement characteristics, while *de jure* rules refer to the formal rules which include statute law, common law, regulations and their well known channels and peculiarities of enforcement (North 1990). In a developing economy which features political oppression, financial repression, large informal sectors, rural/urban dichotomy, active black markets, labor wage differentiation, hegemonic tribalism, and significant corruption among others, the conflict between formal and informal rules is often sharp, deep and long lasting.

These groups of rules can be placed in a continuum, running from Low to High levels. For example, informal rules may be clear, strict and enforceable (even if in an unorthodox manner) as may be found among the commercial motorcycle transport operators' finance co-operatives. This is rated high because enforcement is swift and effective. Formal rules may be ignored and unenforced (perhaps unenforceable) as, for example, election malpractice laws in Nigeria. That is rated low.

When both groups join hands or work in tandem at high levels, the result for the nation is high progress (cell A). When they do so at low levels, the result is very low progress (cell D). Low progress may also arise if *de facto* or informal rules can be rated low although *de jure* or formal rules may be high (cell C). Whenever *de facto* rules are low, only low progress may result. But high progress will result whenever *de facto* rules are high even though de jure rules may be rated low (cell B). *De facto* rules thus constitute a critical determinant of progress for any group or society.

Turning to the second area of conflict, Creative Destruction Process refers to the growth and development needs of the State. These continually enforce change in the rules of the game. Current level of institutional quality is a determinant of how well this change can be managed. Both are placed on a continuum flowing from low to high levels. Since creative destruction indicates the degree of change, when it is high great opportunities for productivity improvement and consequent progress, dawn on the society.

When creative destruction process and institutional quality join hands at high levels, high progress results (cell A). Very low progress results when they do so at low levels (cell D). High level of institutional quality may not bring about high progress if creative destruction process is low (cell C) but the reverse may produce average progress (cell B).

From the fore-going, high societal progress – whether in the social economic or whatever pocket of endeavor – depends on the fulfillment of two fundamental conditions namely, achievement of high levels of informal rules of interaction among the peoples, and high levels of creative destruction process. In other words the creative and adaptive abilities of the society must be unleashed and governed by endogenously developed and enforced rules. Otherwise no high progress is possible. This is attested to by the experiences of the high flier, Singapore, whose leader, Lee Kuan Yew, summarized the story of Singapore's progress as a reflection of the advances of the industrialized countries in that with each technological advance made by those countries, Singapore advanced by adoption and adaptation (creative destruction), and remained successful through social cohesion brought about by sharing the benefits of progress, equal opportunities for all and meritocracy, with the best man or woman for the job (endogenously developed and enforced rules)

The Institutional Conflict matrix (ICM) reveals what task faces each political leader at each point in time. A leader who ignores such task as indicated by ICM can hardly make progress at anything else. This is because institution is the tool needed to move the society, and all roads to great achievements lead through institutions. As already indicated, leadership itself is a product of institutions, and aside institutions no society worth its name exists.

5. Implications of ICM.

What can we glean from these cells? Quite a bit.

We begin from cell D, a condition of low societal progress readily observable in low economic growth. At this point all variables are low. Informal and formal rules as well as institutional quality are all low. Creative destruction process is also low. The near beak down of law and order that this state of affairs entails, the confusion, poverty and disinvestment, all state quite clearly what the task of a political leader is at such a point. No meaningful goal can be achieved if leadership does not address this task or at least incorporate it in the political agenda.

An error frequently made in this connection is the assumption or conclusion that the task in question is the unlocking of the logjam, that is, the restoration of neglected and broken down facilities and processes, and the provision of first aid for psychic shocks and wounds inflicted in the confusion. That is not the case. Necessary as those are, they are merely the outcome of an underlying trend. However, it is the correction of *that* underlying trend that is the task the leader is faced with. At such a time the leader is called upon to effectively manage the society's institutions. Many leaders have taken over the mantle to correct the rot which developed under their predecessor, a predecessor flushed out of office by the people's frustration. If a leader carries out the immediate needs of the people but does not face the main task of institutional management, which in reality the times call for, then a new rot would develop under him, sooner or later, and repeat the cycle we have become familiar with over the ages: how, out of frustration, a leader is enthusiastically welcomed, his predecessor having been roundly rejected at the polls, but how, a few short years after, someone else is enthusiastically sought to deliver the people from the same leader who himself was called a messiah. The reason for it all is that the leader failed to carry out the needed institutional management but instead focused exclusively on immediate problems, after dealing with which, he did not know what else to do and began to grope. With Institutional Conflict Matrix, that cannot happen.

We move to cell C – low societal progress. This time institutional quality is improving but this is brought about not by an inner soundness which would show in the society's informal rules but is brought about by force, that is, through formal rules upheld by force, akin to the early beginnings of a police state. It is not a surprise that creative destruction is low. Leadership task, immediate and distant, is quite clearly indicated.

Cell B, a promising societal situation shows progress brought about by high informal rules of human interaction and high levels of creative destruction. The challenge facing a political leader here is the failure of formal relationships and lack of faith in organs of the state. This shows in low levels of institutional quality. Incomplete contracts, the need for private infrastructural development, institutional corruption are some of the features which again dictate what tasks a political leader must address.

Finally to cell A. Visionary leadership is what this situation calls for. At this point, success, wealth and ensuing pride, arrogance and spiritual indolence make the people easy prey for bad leaders who may lead them into a quagmire, as for example, Hitler and Germany. A peculiar task here for a genuine political leader is a keen evaluation of the society's institutional framework with a view to initiating changes that can dampen the arrogant utopian quest that can arise at a time like this. Such quest if not nipped in the bud, promotes mass following for utopian promisers, urged on by their mindless rabble-rousing apologists, and leads societies into difficulties. If a society is unable to choose the right leaders at this point it must climb down through bitter experiences and begin again. Should the society rest on its oars for just a while, it must vacate this position on account of globalization which makes creative destruction a shared global undertaking, and allows any group anywhere to take the lead at any time.

6. Conclusion: Main Task of Political Leadership.

The main task of a leader is to take her group to their next level over time. This level is often unknown to the majority and not desired by many, especially those favoured by, and thus comfortable with, the *status quo*, but by virtue of being in the lead, the leader is meant to understand the need to move on to the next level, to see that next level quite clearly and to know the direction of movement, and commit to its attainment. This was so of the quintessential leader, the biblical Moses. But not every leader is as visionary. In any case visionary and non-visionary leaders have, indeed even Moses himself had, only institutions to use to steer the people. Therefore leadership task revolves around institutions, around management of institutions, that is, management of the rules governing human interaction, management of the structure of incentives, management of the channels collectively fashioned and upheld for human endeavor, and the concomitant constraints. Institutional Conflict Matrix, as a framework of analysis, can tell today's leader what she needs must focus upon in her quest to move her society forward. It also allows us to meaningfully evaluate leadership performance. It is obvious that this reduces waste and substantially improves genuine performance, leaving legacies that can endure for all times.

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Career Development and Job Satisfaction in an Organization

Okoye Martina .C.

Abstract

Career development is seen as managing life, learning and work over the life span. It encompasses the provision of services in many different predictions and delivery settings to assist people to gain knowledge, skills, attitudes and behaviors that help them to manage their career more effectively. This study looks at factors affecting career development, importance, of career development career syndromes and drives. In this paper, importance of career development and job satisfaction are discussed. Managers are advised to encourage career development programmers to retain their employee and to boast productivity.

Career Development and Job Satisfaction

The oxford advanced dictionary of current English, Seventh Edition defined career as the series of jobs that a person has in particular area of work, usually involving more responsibility as time passes. According to Onwochekwa, quoting flippo (1995) a career can be defined as a sequence of separated but related work activities that provides continuity, order and meaning in a person's life. Careers are both individually perceived, and societal constrained not only do people make careers out their particular experiences, but career opportunities provided in society also influence and "make" people. In a more clear case a career consists of properly sequenced role experiences leading to increasing levels of responsibility, status, power and rewards.

Career Development

Career development is seen as the process of managing life, leaving and work over the life span. It encompasses the provision of services in many different jurisdiction and delivery settings to assist people to gain the knowledge, skills, attitudes and behaviors that help them to manage their career more effectively.

Career Development involves managing your career either within or between organizations. It also includes learning new skills and making improvements to help you in your career. It is an ongoing lifelong process to help you learn and achieve more in career. Achaka, quoting peter Tatham, Executive Director, career industry council of Australia said that the quality of the career development process significantly determines the nature and quality of individual's lives, the kind of people they become, the sense of purpose they have; and the income at their disposal. It also determines the social and economic contribution they make to the communities and societies of which then are part. According to Gutteridge (1986) Career Development referred to "the outcomes of actions on career plans as viewed from both individual and organizational perspectives."

Importance of Career Development

The importance of career development both internal and external is as follows:

1. The need to identify and forecast personal needs, social and demographic trends.
2. The challenging nature of work.
3. Changing type of jobs
4. Equating and a multicultural work force
5. Worker productivity
6. Technological change and increasing advancement opportunities
7. Organizational philosophies, Slavenski and Buckner (1988)
8.

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Employers are motivated to establish career development programmers because such programs are seen as an effective response to various personnel problems. Those careers Development Programmer include:

1. Assisting employees in assessing their own internal needs that is Career Needs Assessment: It is the responsibility of personnel manager to assist the employees in making decision about choice of career goals and specific developmental needs appropriate to these goals
2. Development and publicizing available career opportunities in an organization that is Career Opportunities: Career choice and related goals define the real career needs of an employee. This means that the personnel unity naturally has the obligation of him charting specific career paths for significant progression. It should provide information's about available career opportunities within the organization and their requirements and opportunities within them.
3. Aligning employee needs with career opportunities that is Need Opportunities: When an employee has made choice off his or her career and have become aware of the goals and opportunities available, the next thing is to design proper career development programmer according to his or her career needs goals.

The Major Factors Affecting Career Development

1. Physical and mental characteristic
2. Parents
3. Schooling
4. Ethnic grouping
5. Sex
6. Peers
7. Organizational experiences
8. Age

People develop a notion of a career that is closely related to his or her need for self-esteem. An individual selects a career direction on the basis of selection formulates goals and levels of aspiration for attainment. The worker may find out that his internal notion about career development may be fair from reality in terms of environmental constraints. He has to the organization where he will make his career. In the case of the graduate student, he has to decide in which higher institution where he has to make his career. Outcomes and failures within career development will lead to goal or career notion modification. The aspiration level may be lowered if the success timetable is not met. This also will have impact on the worker-esteem. The worker may explore unforeseen opportunities when failure comes. His career goals may not change but he may accept certain decrees of success. Where he succeeds, he increases his level of identification with his organization and this is valuable to the organization.

Career Syndromes And Drives

In a longitudinal research conducted by Schein (1975) it was discovered that certain attitudinal syndromes that served to guide many people throughout their career were formed early in life. These syndromes were composed of a combination of needs and drives and serve to anchor the person to one or a few related types of careers. The career syndromes and drives exhibited by human being are:

1. **Need for Managerial Competence**: some employees can be anchored to careers within administration. The fundamental characteristics of those anchored by an overriding interest in administration include a capacity to bear considerable responsibility, ability to influence and control others and skills in solving problems with complete information.

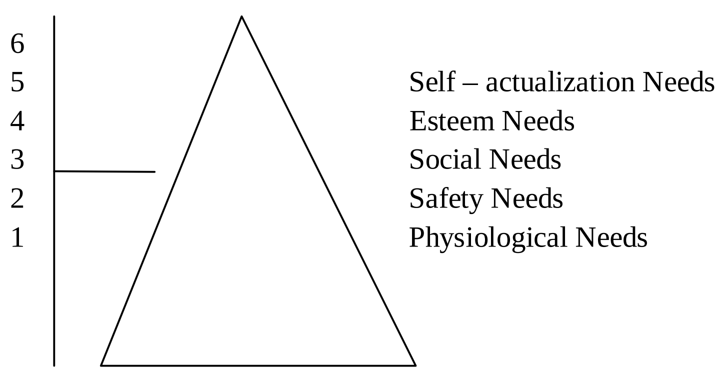
2. **Need for Technical/functional competence:** Workers who are anchored with technical competence show primary interest in the functional work perfumed. Such workers look upon administrative duties as an irritant.
3. **Creativity**: workers who are anchored by drives for creativity demonstrate overriding interest in creating or developing something new that they will call their own. Included here are entrepreneurs who establish separate business, less for the sake of money than for creating a product or service that could be identified as theirs.
4. **Security**: some workers are also anchored by search for security.
   These workers are more attached to a particular organization than they are to their work. This type of person or worker will accept with little question the organizational prescriptions for his or her career. He or she is willing to sacrifice autonomy for security.
5. **Autonomy and independence:** Employees anchored by drives for autonomy and independence demonstrate increase for freedom and independence included in this group is private consultants, college professors and free-lance writers.

According to Onwchekwa quoting flippo, those with anchor I managerial competence, in terms of median incomes of each group received the most and those with 5, autonomy independent, were paid at least.

Job Satisfaction

Motivation is that which causes an individual to change his or her behavior in a direct end management scientists believe that there are reasons why people decide to go and work in an organizations. They will like to continue to be members of such organization, thus why manager should find out why their employees joined their respective organizations. If they give the employees those things they want and at the sometime direct the attention of the employees towards organizational goals the employees will be willing to perform delegated activities. These things used to motives workers are called incentives.

According to Obiekezie etal (2004) Maslow was the first protagonist of behavioral science theory. He developed a theory which states that human beings have needs which range from basic to higher needs and are in hierarchy physiological needs, safety needs, belongingness needs, esteem needs and self actualization needs. He suggested that these needs constitute a hierarchy of needs with the most basic compelling need physiological and safety needs at the bottom. Maslow argue that this lowest level needs must be met before a person will strive to satisfy needs higher up in the hierarchy such as esteem needs.



Physiological Needs: are generally survival needs. These basic needs are of primary concern to all individuals.

Safety Needs / Security: According to Maslow these are safety or security needs. These needs cause individuals to become concerned about security, protection from danger and freedom from fear. In an organization, these needs may be satisfied by job security, benefit programmers, including insurance, and retirement. Also includes safety and healthy working condition- electricity and other hazards-competent, consistent and fair leadership and removal of dangerous materials from the work place. Managers encourage career development programmers in their organization. This is because once these needs are satisfied worker should feel and when worker acquired skills necessary to perform a particular job, he will be satisfied, and efficient in discharging his duty. Managers should try to maintain job satisfaction through training $ development of employees.

Social Needs: These include a very cordial relationship between the employers and employees.
Esteem Needs: These are associated with self-confidence, self-actualization this is difficult to achieve. It is the greatest need to perform to the optimum ability, in order to prove a point to one self and to one's employers. Need analysis is done to recognize and evaluate the problem and requirements of workers. According to Fredrick Herzberg, motivation is determined by two sets of needs-physiological. Only one set of needs is observed to completely motivate staff and accomplish results at a time but can never be exhibited at the same time.

Conclusion & Recommendations

A career can be defined as a separate but related work activities that provide continuity, order and meaning in a person's life. Career development is very necessary in the organization to increase knowledge and competence and to retain workers in an organization. In order to have motivated work force, managers should determine which needs employers are trying to satisfy in organizations and then make sure that individuals receive outcomes that will satisfy their needs when they perform at a higher level and contribute to organizational effectiveness.

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Dynamics of Tax Policy for Deficit Financing in Nigeria

By

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Abstract

Nigeria is one of those developing countries of the world whose fiscal deficit profile has aroused concern. This study, "Dynamics of Tax Policy for Deficit Financing," looked at the responsiveness of major tax revenue sources to the rising fiscal deficit following the global expectations of modern government. Ordinary Least Square (OLS) was applied on the two log-transformed multiple regression models specified in the study. The nature of relationship between fiscal deficit (FD) and government revenue (GR) was investigated by conducting the granger causality test after testing for unit root and the necessary transformation done to the data. The research found that major tax sources have very high response to changes in the rising fiscal deficit while they have very low response to the level of expected government revenue. The granger causality shows that both FD and GR rise and fall independent of each other. The study concludes that Nigeria should re-design, re-structure and redirect tax policy that broadens tax base to enhance tax revenue sufficiency and dependability.

Introduction

Nigeria is one of those developing countries of the world whose fiscal deficit profile has aroused concern (Onwioduokit, 1995; Ariyo, 1997; Omojimite & Iboma, 2012). Ariyo & Raheem (1991), in their study, show that fiscal deficit has become a recurring feature of Nigeria's fiscal policy. According to them, there is no identifiable macroeconomic objective to justify this deficit-prone behaviour. Ariyo (1993) has also reported that fiscal deficit in Nigeria has become unsustainable since1980. The prevailing situation is depicted in fig.1 below. The dotted line graph representing fiscal balance which is the difference between Government revenue (GR) and government expenditures (GE) is maintained significantly below the zero line reflecting deficit. Government expenditure continued rising as shown in the graph, the hyphenated line is pointing towards the sky indicating continued increases and the line representing government revenue has zig-zag shape reflecting fluctuatuions in revenue generation.With this non synchronized movements of GR and GE, deficit continued to recur from year to year, therefore, it is not a misstatement to assert that fiscal deficit has been unsustainable.

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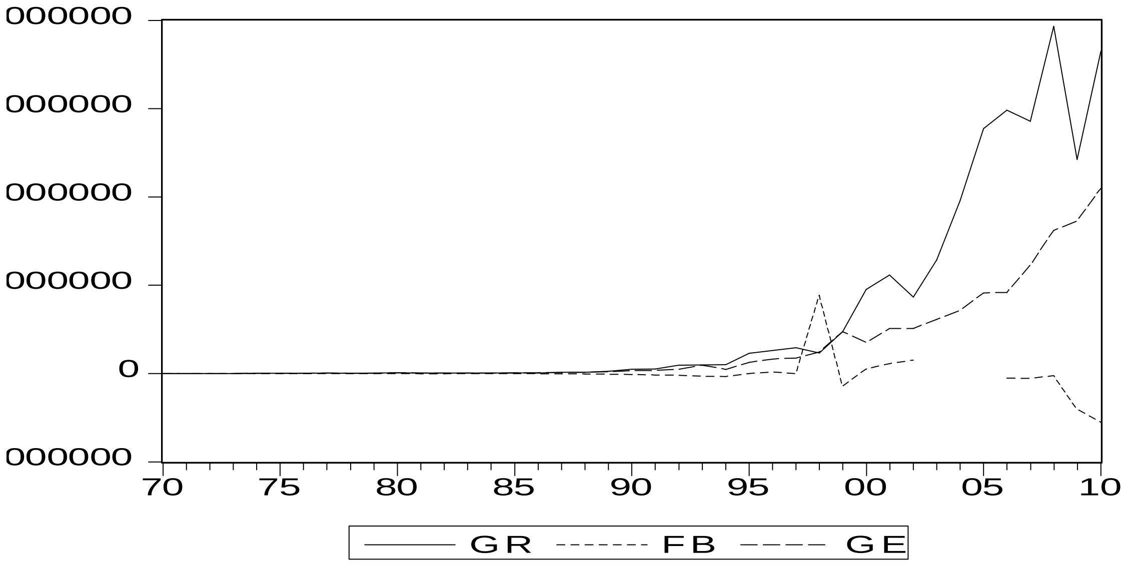
Fig.1: Line Graph Of Government Revenue, Fiscal Deficit and Government Expenditure (1970-2010)



In order to place Nigeria's fiscal deficit profile on the right track, the country can adopt one of the following options: according to Zee (1988) and Ariyo (1997), Nigeria can determine the optimal tax rate for a given level of expenditure or determine the optimal level of tax rate, or simultaneously determine the optimal level of expenditure and the tax rate. Nigeria will either increase tax to meet the level of expenditure or reduce expenditure or strike a balance between them. Barro (1979) and Peacock & Wiseman (1979) contend that increases in expenditure in the present tend to be followed by tax increases in the future. Lipumba & Mbelle (1990) indicate that increasing tax revenue and reducing expenditure are the most critical fiscal challenges facing a government that is entangled in the budget deficit problem. Nigeria's expenditure profile kept increasing with every successive government.

The option to reduce expenditure to the level of the present attainable revenue in the country has raised controversy among economists and public administrators: some for and some against. Modern governments have assumed more roles than ever and Nigeria would not be left out. Besides the traditional functions of maintaining laws and orders, governments of countries have recently assumed myriads of other functions including; raising the standard of living through the promotion of welfare activities and job creation, stimulation of private investments which has recently included heavy bailout responsibilities, among others. Sequels to the increased unavoidable roles of modern governments, researches have produced diverse results on the relevance of financing government deficits in Nigeria. Onwioduokit (1995) reported that policy-makers should be more interested in the sources of financing fiscal deficit and absorptive capacity of the economy rather than the level of fiscal deficit. Bamidele & Englana (1995) opined that deficit financing could be veritable tool in macroeconomic management provided it is efficiently financed and productively utilized on projects and programmes that could be self sustaining. However, they noted that excessive and prolong deficit financing through the creation of high powered money could negate the attainment of macroeconomic stability, which might in turn curtail the level of desired investment in an economy and thereby stifle growth. Obinyeluaku & Viegi (2004) are of the opinion that oil windfall induces increased expenditures in Nigeria which become difficult to retrench when oil revenue falls. To make up, in order to avoid distortion of government budget allocation patterns and enhance cohesion and stability, borrowing becomes inevitable and deficits pile up to large volume of debt stock. In their views, curtailing expenditures in the face of apparent necessities for them might not be a better option but government should devise a means of managing expenditure in the face of unsteady revenues. Gadong (2009) reported that fiscal deficit in Nigeria had been counter-productive because fiscal deficits were invested on non-self liquidating ventures, such as consumption. This had ultimately resulted in increased national debt and had also increased recurrent deficits in the future as principal and interest had to be repaid to the creditors. Babalola & Aminu (2010) noted that productive expenditure positively impacted on economic growth during the period 1977-2009 that a long-run relationship exists between them. Paiko (2012) on examining the implication of deficit financing on private investment in Nigeria observed that prolong deficit financing had an overall negative impact on the economy by crowding out private investment. In the opinion of Paiko (2012), government should redirect fiscal policy to favour the private investors by discouraging high government expenditure and maintaining low fiscal deficit.

Owing to the perceived relevance of increasing government expenditures, there is apparent need to increase the revenue sources (Ariyo & Raheem, 1990; Ndekwu, 1991; Omojimite & Iboma, 2012). The need to harness the tax revenue as a veritable alternative to borrowing becomes obvious. Attempts have been made to increase Nigeria’s ability to generate tax revenue (Salami, 2011). In 1991, the federal government set up a study group to review the country’s tax system and administration. The study group only adjusted the existing rates. In 2002, another study group was set-up. This study group viewed Nigeria’s tax system as “unduly complex, skewed, low revenue-yielding, poorly administered, anti-federalism, largely – inequitable and loaded with unduly large number of overlapping taxes which have more nuisance than revenue value (Sanni, 2011). Subsequently, a working group was set-up in 2004 to review the recommendations of the study group. The outcome was a catalogue of many areas of disagreement (Sanni, 2011). Still, tax policy has continued to undergo changes in Nigeria. Official Gazettes are released often, making public major tax reforms now in operation (FGOG, 2007, 2011). Truly, adjustment of the tax rates in the country has undergone unprecedented movements. Dynamics of tax policies in Nigeria have been turbulent, allowing numerous variables to act upon it: Tax policy before, during and after the oil boom in 1973/74; tax policy before, during and after the Structural Adjustment Programme (SAP) between 1985 – 1988; tax policy for the promotion and attraction of Foreign Direct Investments (FDIs) into the country between the periods 2000 and 2005, and the policy for the promotion of Small- and Medium-Scale Enterprise (SMES) from 2000 till date. All these periods made significant impact on Nigeria’s tax policy. Tax policy in Nigeria has undergone more dynamic movements. The question of whether or not the tax policy possesses the capacity to absorb the level of fiscal deficit which has been on the increase since 1980 due to over-ambitious expenditure programmes that resulted in episodic jumps in the country’s budget deficit demands empirical investigations. More so, the existing controversy in the views among economists on the option to reduce government expenditures and maintain the present level of revenue in the country further reveals the relevance of government expenditures in these modern times. Deliberating on how to reconcile the need to reduce deficits and the need to finance government expenditures which is on the increasing due to obvious reasons highlighted above, it becomes obvious that efforts should be made to harness sources of financing government deficits other than borrowing. Looking at tax as a possible alternative to borrowing, the need to examine the capacity of tax to find out how far it can go in maintaining the increasing level of deficit financing in Nigeria has necessitated this research. In response to the problem highlighted above and the consequent research gap observed, a thought provoking question is asked thus: “What is the degree of responsiveness of Nigerian tax to the rising fiscal deficit?” The research therefore postulates the following hypotheses: tax does not have the capacity to finance fiscal deficit in Nigeria, fiscal deficit does not have causal effect on government revenue in Nigeria.

Theoretical Review

The fundamental theories that explain the causes of deficit financing relate to those that discourage and those that encourage government expenditures (Bernhein, 1989; Gbadebo, 2008). The two most prominent views are those of the classical and those of the Keynesian. The classical and the neo-classical argue that government fiscal policy does not have any effect on the growth of national output. On the other hand, Keynesian economics postulates that government expenditure enhances increased Gross Domestic Product (GDP). Keynesian model has been adopted by many economies where it is taken that government expenditure (on infrastructures) leads to higher economic growth (Abu and Abdullahi, 2010). This theoretical framework is basically endogenous growth theory which advocates the stimulation of increased level of growth per capital output through the use of fiscal policies (Babalola and Aminu, 2010). Recently, model of growth effect of fiscal policy are usually built on Barro framework (Barro, 1990, Barro & Sala-I-martin, 1992, 1995). The model made use of Cobb-Douglas production function in which government expenditure enters as an input. Also, Easterly & Rebelo (1993), Brons, De Grovt & Njikamp (1999) emphasized that government activity influence the direction of economic growth. The view that government expenditure could lead to development is held by many governments and has accounted for the increased government expenditure in the recent times. This has led to deficit budgets: situations where planned expenditure is greater than expected revenues. The need to finance these deficits has compelled government of nations to either borrow or plan for increasing tax revenue. The option of increasing tax revenue in Nigeria for deficit financing is evaluated in this work.

Taxation, which may be direct or indirect, or, on the other hand, progressive, regressive or proportional, refers to compulsory payments by the citizens (individuals and organizations) to the government of a country in return for which no direct and specific quid pro quo or benefit is rendered to the payers (Dalton, 1964). It is the most common method of financing government activities (Anyafo, 1996), which is achieved through formulation and implementation of various tax policies and structures. The concept of tax policy and tax structure is important because the government must decide on the components of its tax systems and make laws enabling the tax administration. Tax policy could be defined, in economics and public administration, as the rules and regulations underlining the imposition and administration of taxes in a country with regards to the objective of government at a point in time. Theories have shown that a number of factors determine the tax policy of a country. These factors, according to Musgrave and Musgrave (1989), include the Constitution of the country in question and some laid down principles. The Constitution of the country assigns tax powers and responsibilities, and no government imposes taxes on the citizens beyond those which are constitutionally assigned to it. The other factors, which comprise of principles laid down by scholars in the economic literature, include what Adam Smith called the Canons or Principles of Taxation (Bhatia, 1978). A tax is expected to be equitable, certain, economical and convenient to the citizens paying the tax (Bhatia, 1978). There are other considerations like the benefit principle and the ability-to-pay principle. The benefit principle states that an equitable tax is one under which each taxpayer contributes in line with the benefit which he or she receives from public services (Musgrave and Musgrave, 1989). This principle seems to contradict the ability-to-pay principle which insists that the capacity of the tax-payers should be considered while levying any tax. Those who are expected to derive the highest benefits may not be capable of paying the tax levied on such goods/services. The fact is that the application of the tax principles in designing the structure is relatively determined by the circumstance and purpose of the tax. The formulation of tax policy, therefore, demands dynamic approach to ensure effective and efficient tax administration.

Empirical Reviews

Deficit financing has become a common practice in the economies of the world but the extent of tax policy's adequacy for this deficit financing is the big question. Empirically, a number of researches have been carried out to find out the sustainability or, rather, the productivity of the tax systems of countries.

Camarero et al (1988) applied sustainability tests developed by Quintos (1995) in the Spanish case, showing that public revenues and expenditures are co-integrated only when the possibility of structural shifts in this relationship are taken into account. According to their analyses, the deficit process is found to be sustainable in the weak sense. However, since over the sample period, many fiscal reforms have taken place in Spain, a deeper univariate analysis of the series involved might be of great interest and may provide useful information for deriving sounder conclusions about the sustainability of the Spanish fiscal policy in recent years.

Francisco et al (2001) applied the traditional tests of sustainability, also following Quintos (1995) approach on the Spanish economy. Their findings include that as regards the unit root tests applied to the variables used in the analysis, the null hypothesis of the existence of one unit root is accepted, while all the tests reject the null of the existence of the unit roots. Only in the case of the public debt do the tests not offer conclusive results about the existence of one or two unit roots in the process followed by this variable. Furthermore, co-integration tests results show the absence of co-integration between public revenues and expenditures, and given that the condition $0<B<1$ holds, the interpretation has to be that the deficit process is sustainable in its "Weak" form. The results from the tests do not support the hypothesis of the existence of a structural break in the long-term relationship between public revenues and expenditures. Following the conclusions of Camarero et al (1988) and Francisco et al (2001), the Spanish case is one of weak sustainability of tax system.

Ariyo and Raheem (1990) drew attention to the fact that the revenue and expenditure profile of Nigeria are not sychronised since 1970s. This, according to them, has caused the recurrent fiscal deficit profiles to be unsustainable. Ariyo (1993), applying the method developed by Blinder and Solow (1973), Buiter (1983) and Zee (1988), concluded that Nigeria is unable to sustain her fiscal deficit profile in the past two decades. The World Bank attributed this to the fact that the Nigerian government is short-sighted in its revenue and expenditure policies as well as being biasedly overspending without regards to sustainability issues.

Alade (2003) opined that fiscal deficits could stimulate aggregate demand and set a country on the path of recovery. He noted that fiscal deficits raise the level of money supply which, in turn, sets in motion private sector wealth and asset portfolio decisions with respect to financial and real assets. This will affect the rate of interest which may lead to crowding-out effect of the private sector in funds allocation. If the financial institutions have sufficient liquidity, fiscal deficits have the potential of stimulating the economy. Also, fiscal deficits may affect the reverse base of the financial institutions leading to the creation of additional credit. Either way, fiscal deficit may contribute to output.

Iyoha (2004) opined that the structural and systematic problems commonly associated with less developed countries' budget deficit invariably appear in the cause of governance. Such are usually financed either by borrowing from the Central Bank, borrowing from the non-banking public or borrowing from external sources. Given the narrow revenue base of the Nigerian economy, fiscal deficits would continue to be a recurring phenomenon until the country is able to harmonize its revenue and expenditure profile. Deficits will continue to remain with us.

Following the advent of the oil boom in the early 1970s, the structure of the federally collected revenue recorded major shifts. Revenue from non-oil exports declined steadily in the mid-1920s and 1980s while oil revenue became the anchor for public expenditure programmes. For example, the contribution of oil revenue to total revenue increased from 18.9% in 1970 to 82.2% in 1989. Aghevi and Sassanpour (1982), Olopoenia (1991) and Ariyo (1997) attributed the decline in non-oil revenue to a possible "weak effect" arising from the huge oil revenue. They noted that the extent to which government withdraws resources from non-oil sector may depend on its perception of the oil wealth. They argued that if oil wealth is perceived to be permanent, there may be a desire by government to transfer some of the wealth to the private non-oil sector through a reduction in non-oil tax burden. This explains the low tax effort in Nigeria, especially in the non-oil sector.

Omomijite and Iboma (2012) analysed the productivity of Nigerian tax system for the period 1970-2010 and concluded that the tax system could not provide sufficient revenue for government spending. It is for this reason that government embarked on fiscal deficit financing to close the gap between tax revenue and government expenditure. Omojimite and Iboma (2012) established, in their study, that the persistent fiscal deficit financing in Nigeria is due to the unproductive tax system. They suggested that government should broaden the tax base by providing the enabling environment for private enterprise to thrive. Among other suggestions, their study opines that government should improve on tax administration in order to narrow the gap between revenue and collection and remittance to government coffers.

On the experiences of the Western advanced economies on the use of deficit financing towards long-term stabilization, Baig (2010) shared double barreled opinions. The statistical evidences available for United States of America and the Great Britain show that their public debts have continued to hit the sky. In 2010, the public debts for the two countries stood at \$13.93 trillion and \$9.12 trillion respectively. Baig (2010) is of the opinion that these economies shall continue to heat-up, unless the guiding principle is that of long-term revenue generation and balance in the macroeconomic indicators with respect to their GDP. The fact that these countries have not defaulted in debt repayment is because both the Dollar and the Pound Sterling are reserve currencies. He asserted that most of these European economies would continue to be disaster- prone, unless they make deliberate attempts to lower their debt to GDP ratio and further make every effort to bring about equilibrium in their major economic indicators, even if they are unable to achieve budget surplus. To buttress his argument, Baig (2010) cited the example of China. It was found that China had been in a fairly better position, primarily due to its balanced macro-economic indicators and prudent policies. Through the pragmatic and shrewd economic reforms of the late 1970s, China set the stage for steadiness in investment, industrialization, local consumption, exports and revenue generation. Therefore, when China embarked upon deficit financing, it worked more perfectly for them than any other country in the world.

Drawing from the experiences of USA/G.B. and China, Baig (2010) asserted that deficit financing cannot work for most developing countries. Using Pakistan as a pivot, he asserted that Pakistan should strive to balance its macroeconomic indicators instead of leaning towards unnecessary deficit financing. It should place reliance on its revenue generation. As for deficit financing, he concluded that it will plunge the country into more problems because Pakistan has not set the stage for it. To worsen it all, the government of Pakistan has not shown that selflessness, honesty, competence and commitment to using deficit financing to bring positive chain reactions. In conclusion, Baig (2010) said that deficit financing works only if there are concrete plans and sound policies with a long-term vision of how to spend the money that is raised through debt, generate revenues and with an actionable plan as to how to repay that debt.

Methodology

This research adopted ex post facto design. The least square method was used to estimate two log-linear multiple regression models specified in the study. The process enhanced the estimation of tax buoyancy indices for all included tax revenue sources. Tax buoyancy index measures the responsiveness of tax revenue (all tax sources) to changes in revenue demand or changes in Fiscal Deficit. This process is in line with the method developed by Rao (1979) and validated by Merithi and Moyi (2003).

The nature of relationship between Fiscal Deficit and Government Revenue in Nigeria was also evaluated by conducting Granger-causality test. According to Granger (1969), causality is said to exist when Y_t is causing X (i.e. $Y_t \rightarrow X_t$). Series was tested for stationary in mean and variance using the Augmented Dickey Fuller (ADF) unit root test and transformation was undertaken as appropriate. The test ran as follows: does Fiscal Deficit granger-cause Government Revenue or Government Revenue granger – cause Fiscal Deficit or both granger-causes each other? Granger causality has bases on regressing autoregressive distributed lag by the ordinary least square technique (OLS). The autoregressive distributed-lag was specified and the lags were determined on the bases of Akaike Information Criterion (AIC) and Schwarz Information Criterion (SIC). As an a priori statement, the calculated F-value will be compared with the critical/table F-value to determine the direction of causality.

The data for all empirical analyses is secondary data. Data was collected from the Central Bank of Nigeria (CBN) statistical Bulletin, the Bureau of Statistics of the Federal Office of Statistics (FOS) for various years and the Federal Inland Revenue Services (FIRS). The data covered the period (1970-2010).

First Model

We express FD as a function of PPTR, CITR, CAEDR, VATR and GR. That is:

$FD = f(PPTR, CITR, CAEDR, VATR, GR)$ -- 1

The above function is modeled as follows:

$FD = \alpha_o + \alpha_1 PPTR + \alpha_2 CITR + \alpha_3 CAEDR + \alpha_4 VATR + \alpha_5 GR + \mu_0$ -------------------------------- 2

The model above is transformed to log-linear as follows:

$Log\ FD = \alpha_o + \alpha_1 logPPTR + \alpha_2 logCITR + \alpha_3 logCAEDR + \alpha\ 4logVATR + \alpha_5 logGR + \mu_0$ ----------- 3

Second Model

We express GR as a function of PPTR, CITR, CAEDR, VATR and FB. That is:

GR = f (PPTR, CITR, CAEDR, VATR, FD) -- 4

The function is specified as follows:

$GR = \beta_0 + \beta_1 PPTR + \beta_2 CITR + \beta_3 CAEDR + \beta_4 VATR + \beta_5 FD + \mu_0$ -------------------- 5

The above model is transformed to log-linear as follows

$Log\ GR = \beta_0 + \beta_1 logPPTR + \beta 2logCITR + \beta_3 logCAEDR + \beta_4 logVATR + \beta_5 logFD + \mu_0$ ------ 6

The purpose of invoking the log transformations of the models was to generate the coefficients of elasticity for the tax sources which gave us the needed tax buoyancy indices.

Unit root test

The model for the test of stationary in mean and variance are:

$\Delta GR_{t1} = B_1 + \delta_1 GR_{t1-1} + U_{t1}$ --- (7)

$\Delta FD_{t3} = B_3 + \delta_3 FD_{t3-1} + U_{t3}$ --- (8)

The models specified are random walk with drift.

Causality Test

The models for the granger- causality tests are specified as below:

$$FD_t = \sum_{i=1}^{n} \alpha i\ GR_{t-}1 + \sum_{j-1}^{n} \beta j\ FD_{t-1} + \mu_{1t} \quad \text{--} \quad (9)$$

$$GR_t = \sum_{i-1}^{n} \Lambda_i\ FD_{t-1} + \sum_{j-1}^{n} \delta_j\ GR_{t-j} + \mu_{2t} \quad \text{--} \quad (10)$$

Description of Variables

The variables in the above models are explained as follows:

GR is government revenue

FD is negative fiscal Balance resulting from difference between revenue and expenditure of the federal government of Nigeria. Amount of money government has from tax revenue and the proceeds of assets sold, minus any government spending is called Fiscal Balance. When the balance is negative, the government has a fiscal deficit. When the balance is positive, the government has a fiscal surplus (Business Dictionary, 2013)

PPTR is Petroleum Profit Tax Revenue

CITR is Companies Income Tax Revenue

CAEDR is Custom and Exercise Duties Revenue

VATR is Value Added Tax Revenue

Dependent Variable

The major dependent variables in the models are FD and GR respectively. It is the desire of this study to find out how major tax sources respond to changes in FD and GR.

Independent Variable

PPTR, CITR, CAEDR, VATR, are independent variables in the first and second models. They are major federal tax revenue sources. The research estimated the tax buoyancy for these major tax sources due to their relevance in Nigeria and to aid in policy recommendations. GR entered the first model as an independent variable and FD entered the second model as an independent variable for the purpose of capturing the policy implications of the two on each other. The theories reviewed in this study, show that the amount of GR will determine whether fiscal balance will be negative or positive (i.e. deficit or surplus) and the direction of Fiscal balance in turn may determine the amount of GR desired to be raised from Tax sources. Therefore, we have used FD and GR in both cases to capture the policy requirement of government actions.

Analyses and Discussion

Analysis

The various analyses yield the following results:

REGRESSION RESULT for model I

Method: Least Square

Dependent Variable: FD

Variable	**Co-efficient**	**t-statistic**	**Prob.**
PPTR	2.496745	4.162458	0.0013
CITR	3.512258	2.893478	0.0135
CAEDR	5.478243	4.883688	0.0004
VATR	-4.742168	-3.225102	0.0073
GR	-4.909733	-4.391928	0.0009

R-Squared = 0.795527

Adjusted R-Squared = 0.727370

Durbin Watson Stat = 2.266750

F-Statistic = 11.67189

Prob(F-statistic) = 0.000422

PPTR, CITR and CAEDR have positive impacts on FD while VATR and GR have negative impacts on FD. All five variables are individually and collectively statistically significant in the model. R^2 and R^2 adjusted exhibit high explanatory powers for the variation in FD. DW shows that there is no positive autocorrelation.

REGRESSION RESULT for model II

Method: Least Square

Dependent Variable: GR

Variable	**Co-efficient**	**t-statistic**	**Prob.**
PPTR	0.437389	5.406797	0.0002
CITR	0.607135	3.329347	0.0060
CAEDR	1.007136	9.345908	0.0000

VATR	-0.744157	-3.114970	0.0089
FD	-0.125563	-4.391928	0.0009

R-Squared = 0.988913
Adjusted R-Squared = 0.985217
Durbin Watson Stat = 1.740059
F-Statistic = 267.5778
Prob. (F-statistic) =0.0000000

For the second model PPTR, CITR and CAEDR have positive effects on GR while VATR and FD have negative effects on GR. Also, all five variables are statistically significant. R2 and R2 adjusted show that the variations in GR are largely explained by changes in the variables included in the model. DW shows that there is no positive autocorrelation.

Elasticity co-efficient indicating responses of major tax sources to the level of FD in Nigeria and response of GR to FD

Variables	Elasticity Co-efficient	Remarks
PPTR	2.5	Positively Elastic
CITR	3.5	Positively Elastic
CAEDR	5.5	Positively Elastic
VATR	-4.7	Negatively Elastic
GR	-4.9	Negatively Elastic

All the variables have very high responses to the level of fiscal deficit (FD). It explains that tax can be adjusted to finance fiscal deficit. A slight fall in GR increases the FD at a very high magnitude.

Elasticity co-efficient showing the responses of major tax sources to the rising revenue demands and response of FD to GR

Variables	Elasticity Co-efficient	Remarks
PPTR	0.44	Inelastic
CITR	0.61	Inelastic
CAEDR	1.01	Unitary elastic
VATR	-0.74	Negatively Inelastic
FD	-0.13	Negatively Inelastic

All the variables with the exception of CAEDR have very low responses to the changes in government revenue (GR). CAEDR exhibits unitary (equal) response to FD. Variation in GR is not dependent on variations in FD.

UNIT ROOT TEST

Variables	Levels	1st Difference
GR	1.589060	-3.302241
FD	0.229783	-2.998797

Critical Values 1% = -3.6067

5% = -2.9378

10% = -2.6069

The data is non stationary at level but it is found stationary at 1st difference.

Granger Causality Test

Null Hypothesis	F- Statistic	Probability
FD does not granger cause GR	25.1696	1.3e-05
GR does not granger cause FD	11.2705	0.00183

FD does not granger cause GR and GR does not granger cause FD. Their variations are independent of each other.

Discussion

With all the variables in the two models specified in this study being statistically significant (both individually and collectively), and with very high R^2 and adj. R^2, the major tax revenue sources have the potentials to yield Nigeria's revenue demands and sustain fiscal deficits. However, due to the all focus on oil revenue, tax capacities are either poorly harnessed or proceeds are poorly remitted to government coffers. The level of corruption and sharp practices in Nigeria is high; this has had negative effects on the collection of taxes and returns made to government by tax officials.

The tax sources show a very high elasticity coefficient in relation to fiscal deficit. The increase in tax revenue sources is much greater than a proportionate increase in fiscal deficit. Total increase in tax revenue is more than the increase in fiscal deficit. Ironically, the high elasticity co-efficient of Nigerian major tax sources did not guarantee fiscal surplus as fiscal deficit continued to recur since 1980. The possible explanations to this situation can be sought from administrative inefficiencies of the country's fiscal /revenue management. The fact is that as government try to generate more tax revenues to be able to make up the pending deficits, concerted efforts are not made to control government expenditures. As against the fiscal objective, immediate government expenditures gulp additional tax revenues intended to liquidate pending deficits and create even larger deficits. Nigeria exhibit serious fiscal indiscipline.

The tax sources have inelastic coefficients in relations to government revenue with the exception of custom and exercise duties revenues (CAEDR), which has unitary elasticity coefficients. The increase in the tax revenue sources have less than proportionate increase in revenue demands of the country. Total increase in tax revenue is less than the increase in GR. The fact is that most regimes in Nigeria did not see tax as a sufficiently dependable source of government revenue. This explains the all focus on oil revenue. The dependence on oil revenue has most often turned to be great disillusionment because factors affecting oil prices are externally controlled. We see that when fluctuations is evidenced, suppose that OPEC reduces Nigeria's quota or OPEC reduces the price of Nigerian oil per barrel, fiscal deficit will set in because less revenue as expected in the budget will be generated. If government is bent on financing the deficit, the only alternative is borrowing with all its consequences. There should be a re-direction of fiscal policies to make tax a dependable source of government revenue in Nigeria.

GR shows very high elasticity coefficient in relation to FD in model I while FD shows inelastic coefficient in relation to GR in Model II. Where FD reduces GR to a greater proportion (-4.9), GR reduces FD to a lesser proportion (-0.13). The explanation to this is that a lot of government revenue goes to interest part of financing FD and only too little goes to liquidate the FD itself. Nigeria has witnessed severe consequences of fiscal deficits over the years under the study.

The Granger causality test show that both FD and GR do not have causal effects on each other. GR increases in Nigeria regardless of the size of FD. Specifically, the increase in government revenues depends on the outcome of international oil market. The size of fiscal deficit depends on the ever increasing government expenditure which is not planned to match the increase in government revenues. Government expenditure over the years is parallel to the productive capacity of the country. Nigeria is characterized with unplanned and unviable government expenditure and this explains the recurrence of fiscal deficits.

Summary of Findings, Recommendations and Conclusion Summary of Findings

The Nigeria's fiscal deficit profile has not been encouraging over the years. Fiscal deficit has continued to recur following the episodic jumps in government expenditures. There are many existing conflicting views among Nigerians and economists about the state of Nigeria's fiscal deficit profile. Two most contrasting views are: one, that government should reduce its expenditure since its revenue system does not have the capacity to sustain deficit to avail the obvious consequences of borrowing; two, that it will have catastrophic effects on the Nigeria's economy and in the living standard of people if government refuses to spend in the presence of apparent necessity for them.

In the face of these two conflicting views, tax is seen as a visible alternative to borrowing for the purpose of financing fiscal deficits. This study, "Dynamic of tax policy for deficit financing", tries to evaluate the degree of responsiveness of Nigeria tax to the rising fiscal deficit. It also tried to find out the nature of relationship between the fiscal deficit and government revenue.

The study applied the ordinary least square on the two log-linear multiple regression models specified in the study. The study conducted the granger causality test after testing for unit root and making the necessary adjustments to the data.

Based on the tests and analyses undertaken in this research, the following findings are made:

- The potentials of tax system in Nigeria to generate revenue for government are not well harnessed due to the focus on oil revenue. Governments in Nigeria do not see tax as a primary and responsive source of revenue.
- Tax system has the potentials to be made a visible alternative for borrowing. If the tax capacity of the country is utilized appropriately there may be no need to borrow to sustain fiscal deficit in Nigeria.
- Tax revenue does not respond effectively to revenue demands in Nigeria. This is not because the tax system does not possess the capacity to yield adequate revenue but because tax is not regarded as a sufficiently dependable source of government revenue in Nigeria and so efforts are not made by government to broaden the tax base.
- Nigeria exhibit serious fiscal indiscipline.
- Nigeria has witnessed severe consequences of fiscal deficit. Large part of government revenue goes to finance the interest part of the fiscal deficit with little left to liquidate the deficit itself. This is evidenced by the size of Nigeria's national debt.

Recommendations

Sequel to the findings highlighted above, this study makes the following recommendations:

- Government should re-design, re-structure and redirect tax policies in Nigeria to enhance tax revenue sufficiency and dependability. Every regime should recognize that the primary source of government revenue is tax. When this is realized, the dependence on oil revenue will be reduced and we can avail all the consequences of unpredictable international oil market as well as internal militating factors that cause fluctuation in oil revenue.
- Government of Nigeria should make it a matter of policy that when government expenditure is increased, effort should be made to collect more taxes so that any deficit can be sustained. If increase in government revenue demand is matched with increase in tax revenue, all deficits can be sustained and there will be no need to borrow at all.
- There is need to broaden the tax base in Nigeria. This study does not suggest increase in the tax rate as it has always been the case in the country because it may bring about disincentive to work. However, the tax base can be broadened by providing the enabling environment for private enterprise to thrive. Instead of embarking on a number of white elephant projects such as numerous unprofitable welfare projects and the big brother role played in Africa, Nigeria should provide amenities that can encourage private sector profitability like; good road, steady power supply, among others. In relations to this, Nigeria should take deregulation of economic activities serious as this would make the private sector participation effective.
- Nigeria should be prudent as well as make productive use of its financial resources. This can help to maintain the required level of financial discipline to bring down the level of government expenditure.
- There should be efficient tax administration in Nigeria. This can be achieved by effective tax awareness campaign, efficient dissemination of tax information and effective checks of leakages in the collection and remittance of tax proceeds. Additional tax revenue will help to prevent future deficits, as well as, liquidate the nation's debt.

Conclusion

The recurring fiscal deficit in Nigeria is because the tax system does not respond effectively to the rising demands of government revenue. This submission is in line with the submissions of Ariyo & Raheen (1990), Ariyo (1993), Ariyo (1997) and Omojimete & Iboma (2012) which uphold that the recurrence of fiscal deficit in Nigeria is as a result of the less productivity of Nigerian tax system However, this study asserts that the defectiveness of tax system in Nigeria is not because it does not have the capacity to yield the required revenue but because of the inefficiency and laxity in tax administration arising from lack of focus on harnessing the potentials of tax due to the presence of oil in Nigeria. This gave room to leakages in the form of tax avoidance, tax evasion and diversion of tax proceeds from the country's generated revenue. In fact, lack of concentration on the part of the government to developing a very effective tax system has given room for tax related corrupt and sharp practices on the side of the tax officials.

It is, therefore, necessary (as a matter of exigency) that Nigeria should re-direct its fiscal policies to make tax primarily sustainable and dependable. The need to broaden the tax base in Nigeria is apparently of a paramount importance to combat Nigeria fiscal deficit challenges.

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Towards Developing A Conceptual Model From Empirical References For Research In Impression Management

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Abstract
The study critically reviewed the literature on impression management to produce a coherent empirical reference for empirical research development on impression phenomenon in organizations. The exploration of the literature revealed that impression management is an embodiment of 5 dimensions that are parsimonious for theory development. This paper identified impression management as a psycho-socio predictor variable that takes a prospective perspective on action and social action paradigms, with the individual as a unit of analysis. Therefore, research on it is considered possible through subjective and/or at least critical realism philosophical research approaches.
Keywords: *Impression Management, Ingratiation, Intimidation, Supplication, Self-promotion, Exemplification, Critical Realism, Methodological Paradigm Triangulation, and Subjective Research Philosophy.*

Introduction

The *scientification* of the behavioural disciplines rests squarely on methodology and general agreement on testable, tested, valid and reliable facts. Perhaps, this in part, accounts for the view of the Western Traditional Epistemology in their argument that knowledge is a justified true belief. However, whitehead's (1958) view appears to have a partial corroboration with those of the Western Traditional Epistemology because in disagreement, Whitehead (1958) contended that, 'truthfulness' is an absolute quality of God, not of humans. Therefore, a discussion on human knowledge should exclude truthfulness.

Based on this, it portends that agreement on the justifiability, validity, testability and reliability are the trajectory of knowledge in the behavioural sciences. Unfortunately, disagreement on knowledge about behavioural phenomena is seldom settled. Nevertheless, in conducting research on the social phenomena, search for agreement, particularly from rudimentary empirical studies on the phenomenon been investigated is important and necessary.

In this paper we have conducted a survey of the literature on impression management to enable us draw a conceptual model from empirical references that tends to agree on the measurable dimensions for further empirical examinations. This is necessary provide a settlement on the enduring disagreement on research relating to impression management. For instance, the dramaturgical methodological analysis provided by Goffman (in Carno, 2000) has been variously criticized for lacking in the recipes for generalizeable findings and testable hypotheses.

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Therefore, we examined the concept and nature of impression management, empirical research and reference, to provide a conceptual model that is amenable for research; we also extricate the research implications of our conceptualization. The paper concludes that the general agreement among scholars is that impression management is a five dimension social action based phenomena. The construct is used as a predictor variable, with prospective perspective on action, bearing the individual as a unit of analysis.

The Ideological Perspective of the Concept and Nature of Impression management

Daggs (2008) (in Lim and Sambrook 2010) acknowledged that the concept of impression management was initially introduced by Goffman (in Carno, 2000) who approached the presentation of self as a performance. In daily interactions, he believed that people would make conscious decisions about the appropriate role to play or the appropriate part of themselves to display in interactions. According to Goffman (in Carno, 2000), actors also constantly manipulate their behaviour, because they are always aware of the way that their behaviour can be interpreted and the way others can view them. Their relationships with others in the interaction can be important also in determining the facet of their identity they wish to portray. Mets and Caldwell and O'Reilly (2003) summarize impression management and self-presentation by stating, "Self-presentation refers to the process by which individuals, more or less intentionally, construct a public self that is likely to elicit certain types of attributions from others, attributions that would facilitate the achievement of some goals, usually to acquire social rewards or advantages, or to prevent loss of self-esteem when future failure seems probable". The concept of carefully communicating information about ourselves and managing the information others receive about us has inspired a significant amount of work in the area of social psychology. For instance, Jones and Pittman (2009) who where leaders in conducting experimental research focused on impression management or self-presentation, defined self-presentation as, "an actor's shaping of his or her responses to create in specific others an impression that is for one reason or another desired by the actor". In some ways, impression management could be viewed as strategic self-disclosure, as individuals make careful considerations about what information, they should share about themselves in specific contexts, based on the audience present and the goals that the individual has in interacting with that other persons.

Similarly, Liden and Mitchell (2010) argued that, the term "impression management" is usually used interchangeably with "self-presentation". Self-presentation as conceptualized here builds on Goffrnan's (in Carno, 2000) theories of identity and social performance. Goffman's thesis states that self-presentation is the intentional and tangible component of identity. Social actors engage in complex intra-self negotiations to project a desired impression. This impression is maintained through consistently performing coherent and complementary behaviours. Liden and Mitchell (2010) called this process impression management. Impression management therefore, refers to the process of influencing the impressions an audience forms about oneself. Other people's perceptions of us play a significant role in our lives; they influence our relationship, shaping the rewards we receive. He stated that virtually everyone thinks about other people's impressions of him or her from time to time and some people worry a great deal about how others regard them. Our daily behaviour is more or less, deeply influenced by impression management Impression management holds various applications in social behaviour, as well as many factors that have been hypothesized to relate to it. Chenjing (in Liden and Mitchell, 2010) also conceptualized a model to explain the motivation and style that people manage their public image. The three-stage model introduced has two components considered in the integrated impression management process: impression motivation and impression construction, and they are discrete but interrelated.

'Sullivan (2004) developed an impression management model to outline the functional and strategic role of communication choice in social relationships. Chenjing from Mnookin study of online impression management in her online community study stated that impression 'need not in any way correspond to a person's real life identity; people can make and remake themselves, choosing their gender and the details of their online presentation'. He observed that researchers also believe that certain social and material goals push people to manage impression in the real world, such as securing a job at an interview or attracting someone enough to get a date, development of identity and maintenance of self-esteem. While in the online world, researchers have examined the online impression management motivation to include a desire to build up relationships, express unexplored parts of identity or aspects that are inhibited in face-to-face interactions. That people are driven more by this desire to develop identity than a wish to deceive or manipulate. And these goals appear to be self-knowledge. The high degree of freedom in online community gives users the opportunities of alternative presentations. Further studies reported that misrepresentations were more likely online than offline and were most often related to physical appearance and age. Some of the scholars noted that impression management online offered opportunities to present highly desirable self-image and provided a chance for wish-fulfillment. Studies have shown that people, who have social anxiety in real life, will be more likely to manage their desirable impression online to make up for their dissatisfied impression in offline world (Sartain and Shuman, 2006; McGee and Ford, 2009; and Abelson, 2010).

It is demonstrated that the focus of impression management may take one of three forms at any given time. These are: **Upward Impression Management:** Impression management directed at someone higher in the hierarchy. **Downward Impression Management**: Impression management directed at subordinates. **Lateral Impression Management:** Impression management directed at peers (Amaral and Uzzi, 2007).

The Empirical Reference and Dimensions of Impression Management

According to Shou (in Eisenberger et al, 2010), the dimensions of impression management can be obtained from three sources. The first source is the impression management taxonomy proposed by Jones and Pittman (2009) which includes five tactics (ingratiation, intimidation self-promotion, exemplification, and supplication). The scale was developed by Arkin and Shepherd, (2010) and has been widely used and validated in a Western context (Bolino & Turnley, 1999; Kacmar, Harris, & Nagy, 2007; all in Abelson, 2010). The second source is assertive versus defensive impression management tactics (Bales, 2000*)*. The third source is other (supervisor)-focused versus self (job)-focused tactics (Borman and Motowidlo 2010). These sources corroborate to enlist ingratiation, intimidation, self-promotion, exemplification and supplication as aspects of impression management.

Ingratiation: The first strategy is ingratiation, which can be shown when the individual is driven by the concern that others like him or her. Ingratiation is the most theoretically developed of the strategies identified by Jones and Pittman (2009). Ingratiation strategies can be driven by a number of goals and motivations, but is largely determined by the time, the place, and the nature of the relationship. For example, if the self-presentation is of higher status than their target, then he or she may use flattery as a strategy. Ingratiation is also driven by three major attraction seeking behaviours. The first is incentive value or why it would be important for the communicator to be liked by the particular target. Power is also an important determinant of incentive value. If the target has some sort of incentive power over the self-presenter, then there is more reason for the self-presentation to insure liking from the target.

Subjective probability is the second of the three determinants. Basically, subjective probability is the likelihood that a particular strategy will be successful on the intended target. This is especially important, because if the strategy backfires on the self- presenter, there could be significant implications for the self-presenter, based on whether or not the target has power over the self-presenter. The final of the three determinants is perceived legitimacy. Perceived legitimacy is related to the consistency of the self-presenter's strategies with his or her true self and how appropriate the strategies used **is,** given the specific situation. If likability was the goal of the self-presenter, ingratiation strategies are likely to be used (Arkin and Shepherd, 2010).

Intimidation: The second piece of the typology is intimidation, the desire of the self-presenter to be feared (Jones & Pittman, 2009). The self-presenter using this strategy is quite the opposite of the ingratiation. The desire for likability is minimal. Obtaining power is an obvious reason for using intimidation tactics. The self-presenter wants to insure that the target is well aware that he or she has the capability to inflict physical or mental pain on the target if angered or stressed. Intimidation would be used as a strategy if the self-presenter was trying to assert power or gain obedience from his or her target.

Self-promotion: The third piece of the typology is self-promotion, the desire to be seen as competent. In an earlier version of this typology, self-promotion had been included with ingratiation, but upon further review, Jones and Pittman felt that self-promotion needed its own classification. Self-promotion can merge qualities of both ingratiation and intimidation. When using strategies of self- promotion, the self-presenter must be quite careful. Most often, positive self- presentation is believed to be exaggerated. Therefore, it is likely that the target will not believe that the self-presenter is authentic if he or she is overly positive. Self-presenters are more likely to use self-promotional tactics if he or she feels that credibility is threatened or that the target might not see him or her as credible (Arkin and Shepherd, 2010).

Exemplification: The fourth piece of the typology is exemplification, which means that the self-presenter wants to be idealized by the target projecting, "integrity and moral worthiness" (Jones & Pittman, 2009). Those attempting to use exemplification want to be seen as "honest, disciplined, charitable, and self-abnegating." The best examples of those seeking this type of view by their audience would be clergy and those in high moral positions, as a person in that position would most likely want people to see him or her as an ideal representation of personal qualities.

Supplication: The final piece of Jones and Pittman's (2009) typology is supplication, the desire to be seen as helpless and vulnerable. In the case of those using this particular strategy, they would be seeking additional help. He or she would want their target to see him/her as weak, and therefore in a position of powerlessness. Jones and Pittman emphasize that this strategy is one of last resort, as it diminishes any power held in the interaction. Jones and Pittman equate this strategy to a wolf showing his throat in an attack when the wolf feels he is overpowered. By showing the throat, the wolf hopes to be spared by his attacker. In an interpersonal situation, the supplicant wishes to gain mercy or pity from their target, making the target feel socially responsible for the supplicant. Among the impression management tactics, supplication is the only strategy that exploits one's weakness in order to achieve the desirable self- image of a needy person. Supplication is also the only impression management that attempt to directly obscure the organization's ability to reach its full workforce capacity. It is opposite to self-promotion, in which attribution of competence is the sought-after impression. Supplication is a tactic to advertise “one’s dependence to solicit help by stressing his inability to fend for himself or emphasizing his dependence of others” (Jones & Pittman, 1982). The individual engaging in supplication purposely advertises his or her own weaknesses and incompetence so as to gain sympathy from potential helpers (Bales, 2000). As a “norm of obligation or social responsibility,” the helper exerts his/her energy and resources in order to aid the supplicant to survive and to achieve the goals (Jones & Pittman, 2009). In other words, the supplicant is able to convince the helper that without his/her aid, the supplicant would stand little chance of accomplishment. Supplicants achieve their purpose by exaggerating their ineptitude on work or by extending gratitude to their helper. For the helper, the primary motivation is to acknowledge his/her superiority over the supplicant, a situation not uncommon in the animal world, such as the hierarchical relationship between the leader and the followers in a pack of wolves (Jones & Pittman, 2009). In the work context, an individual supplicates with an intention to avoid a distasteful chore and an attempt to pass the task to the sympathetic others. Consequently, while the supplicant is relieved of the unpleasant task at hand, the member extending a helping hand actually performs organizational citizenship behaviour at the expense of his or her own task performance.

Supplication on the other hand is a risky impression management strategy. If successful, the supplicant is able to project an image of needing help. If the tactic is not done carefully, others may see the supplicant as lazy, or not willing to do any work. Jones and Pittman (2009) in particular argued that “there is always the good possibility that the resource-laden person is insensitive to the social responsibility norm”. If the supplication does not conform to the norm of where social responsibility should be extended to (e. g. an affluent individual claiming lack of money or a well-built male expressing inability of carrying heavy furniture), he or she will run the risk of carrying the negative image of supplication.

Empirical Research and Reference

In social-psychological literature, researchers often point out trends in impression management strategies that include exemplification, self-promotion and organizational promotion (example, De Gilder D. 2003). Exemplification may be used in order to appear “trustworthy or morally worthy” in the eyes of others (Gardner and Avolio, 1998 (in Carno, 2000). Leaders using this strategy may “stress their similarity to followers with regard to their background and experiences in order to establish themselves as trusted representatives of their followers’ interests” while simultaneously attempting to paint themselves as exceptional and morally-responsible. Self- promotion involves exaggerating or drawing attention to one’s own strengths and achievements and hiding details that may discredit the “myths” they perpetuate about their own excellence (Gardner and Avolio, 1998 in Caldwell and O’Reilly 2003). As Gardner and A’olio 1998 in Caldwell and O’Reilly 2003 stated, self-promotion can be used “to appear credible, innovative, esteemed and powerful.” Leaders may “project themselves as skilled, influential and effective leaders whose exploits greatly benefit followers” (Gardner and Avolio, 1998 in Caldwell and O’Reilly 2003). Leaders may engage in this impression management technique in order to “bolster their images of competence and power and thereby heighten their esteem with followers” (Gardner and Avolio, 1998 in Caldwell and O’Reilly 2003). Harvey (2001 in Lim, Giriffiths and Sambrook 2010) also described the complexity in engaging in impression management, noting how leaders must attempt to juggle and balance multiple impressions.

The setting of the office can also be an arena in which impressions are managed and sustained; the private office of the leader may function as a back stage, in which executives can rest, resolve mistakes and repair their images. For example, the office prevents others from witnessing things that might discredit performances; this helps to maintain consistency, and therefore believability, of impressions (Goffman in Carno 2000*)*. However, the office also operates as a front stage, where impressions to staff and visitors are projected. Goffman (Carno 2000) wrote about the symbolic use of the office, providing both a front and back stage. Much has been written on the symbolic importance of organizational appearances, including the office's exterior and interior design and visual displays of organizational materials, such as logos, uniforms or paint colours (Berg and Kreiner, 1992 in Liden and Mitchell 2010; Doxtater, 1992 in Heffener 2001; Hatch, 1992 in Heffener 2001). In fact, the design of office space may affect staff behaviour, deliver organizational messages about values, products and organizational philosophies to both internal staff and visitors and reflect differences in authority and status (Alvesson and Berg, 1992 in Jones and Pitman 2009; Berg and Kreiner, 1992 in Liden and Mitchell 2010; Doxtater, 1992 Heffener 2001; Hatch, 1992 in Heffener 2001). Meaningful elements of organizational appearances include the building's "corporate architecture" (the architectural aspect of the building in which the office resides) the interior design of the office and the organization's "visual identity" (organizational visual materials such as logos) (Berg and Kreiner, 1992 in Liden and Mitchell 2010). Berg and Kreiner, 1992 in Liden and Mitchell 2010) argued that these features could affect organizational behaviour by, for example, spawning creativity or other desired responses among staff. As such, many leaders opt to modify their organizational architecture, interior design or visual displays in order to manage impressions and influence and internal or external stakeholders (Alvesson and Berg, 1992 in Jones and Pitman 2009; Berg and Kreiner l992 in Liden and Mitchell 2010). Previous studies across numerous sub-cultural contexts help to explain how professionals in health care, law and other fields use impression management by structuring their appearances, speech and mannerisms in order to achieve desired images. 'While this literature does not focus on leaders, it is still highly useful, as non-profit leaders may adopt similar tactics. For example, Sanders (1989) (in Heffener, 2001) revealed how the decor of the tattoo shop is created in order to foster the impression of professionalism.

Other researchers have revealed the ways in which professionals attempt to portray themselves as individuals who embody trustworthiness and moral competence (Harvey, 2001 in Lim, Griffiths and Sambrook 2010) or who demonstrate "expertise, esteem, power and effectiveness" (Gardner and Avolio, 1998 in Caldwell and O'Reilly 2003). Their strategies are not limited to the modification of physical appearances but also include adjustments to speech, mannerisms and other elements of behaviour (Elsbach, 2004; Hobbs, 2003; Jones, 2006 in Meyer and Alllen 2007) For example, the use of language in impression management in a variety of fields has been well researched. Lawyers structure their language style to "construct a shared identity" with the jury (Hobbs, 2003 in Cohen 2005). Lawyers accomplish this by adjusting their style of speech. According to Hobbs' (2003) (in Cohen 2005) research, the lawyers adopt an accent, a drawl or slang, depending on the make-up of the jury. The result is a "shared identity with the jurors," leading to enhanced credibility and trust. In addition, intonation, pitch and style of speech have important implications and may be modified for impression management purposes in court (O'Barr, 1982 in Carno 2000). As O'Barr (1982 in Carno 2000) argued, "form is communication; variations in form communicate different messages and speakers manipulate form, but not always consciously, to achieve beneficial results." Elsbach (2004) (in Meyer and Allen 2007 found that managers attempt to improve trustworthiness by modifying their speech in several ways, including making references to their titles and modifying their choice of language — in particular, selecting language that is either "formal or informal, specific, technical, easy or hard to understand." Research presented by this author suggests that language that is "easy-to-understand, colloquial language used by an expert communicating a decision explanation" can be used to increase trustworthiness, whereas technical and convoluted language can have the opposite effect (Elsbach, 2004 in Meyer and Allen 2007). Using appropriate language can build trustworthiness by building common identities, while using language that is not commonly used or understood by audiences can lead to "dis identifications" with an undesirable or untrustworthy group (Elsbach, 2004; Hobbs, 2003) (in Meyer and Allen 2007). The literature above suggests that impression management strategies are adopted by many different kinds of individuals and groups in order to obtain trust from clients, patients, jurors and colleagues. An important part of developing trust is the display of competence. One of the most effective studies in identifying and demonstrating the performance of competence is the work by Haas and Shaffir (1987) in Grey and Garsten (2001). These researchers showed how individuals display competency in medical student roles. Competency is shown not to be an inherent quality, but rather a presentation that is enacted in ways that are necessary to gain the trust and cooperation of professors and patients.

Impression management and dramaturgy have faced a number of critiques. For example, positivists have criticized the interpretive approach (on which impression management is based) by arguing that it is "subjective and unscientific" because interpretivist research emphasizes meanings which are difficult to measure and operationalize (Prus, 1996 in McGee and Ford 2009). Positivists have argued that, in contrast, the standardized measurements and statistical procedures used in positivist research are highly conducive to revealing scientific "truth" (Aitheide and Johnson 1998; Prus, 1996 in McGee and Ford 2009). Prus (1996:9) (in McGee and Ford 2009) argued that interpretivists may respond to this criticism by arguing that "the study of human behaviour is the study of human lived experience and that human experience is rooted in people's meanings, interpretations, activities and interactions." Thus, positivists "overlook the fundamental social essences of human behaviour" (Prus, 1996:9 in McGee and Ford 20009). Shou (2010) (in Arkin and Shepherd 2010) acknowledged that impression management and Goffman's concepts of dramaturgy represent the theoretical underpinnings.

However, Goffman's dramaturgical analysis is sometimes criticized. One of the problems with Goffman's work is that he did not provide a methodological framework for studying impression management. He stated that descriptive statements are prematurely coded, that is, interpreted by the observer and subsumed under abstract categories without telling the reader how all of this was recognized and accomplished. Such critics saw the methodological framework for studying impression management as limited; they also disliked the fact that dramaturgical analysis may not lead to generalizable findings or produce testable hypotheses. Furthermore, critiques of Goffman's work have included the failure to recognize broader social structures and institutions that serve **to** enforce social stratification. Critics have argued that his theory tends to reduce society to "episodic" interactions rather than addressing broader phenomena that serve to maintain social inequality. Goffman's position on the role social structures in society is somewhat unclear. Goffman criticized functionalism while still maintaining many of its major principles (Chris, 2003 in Amaral and Uzzi 2007). 1-le also acknowledged that there is a "loose coupling" between social interaction and social structures, but does not explore, how, why, or to what capacity. Chris (2003) (in Amaral and Uzzi 2007) argued that Goffman was "unwilling to trace out linkages between the micro level interaction order and meso-and macro levels social structures." Critics also identified Goffman's work as a hopelessly cynical and limited assessment of human beings. According to Cuzzort (1969), (as cited in De Gilder 2003) Goffman described humans as “an incorrigible pack of ‘con’ artists engaged in a lifelong process of deceiving both self and others.” Critics have argued that this represents a “disenchanted and somewhat a moral view of society” which is actually glorified and encouraged by Goffrnan (Pacanowksy and O’Donnell-Trujillo, 1983 in Bales 2000). Critics have complained that Goffman encourages people to “put on the kind of performance that deceives both self and others; and accommodate ourselves to the status quo of the contemporary bureaucratic society” (Reynolds, 1987 in De Gilder 2003). These critiques presented Goffman as apathetic to human suffering and neglecting human capacity to challenge current forms of institutions and bureaucracies.

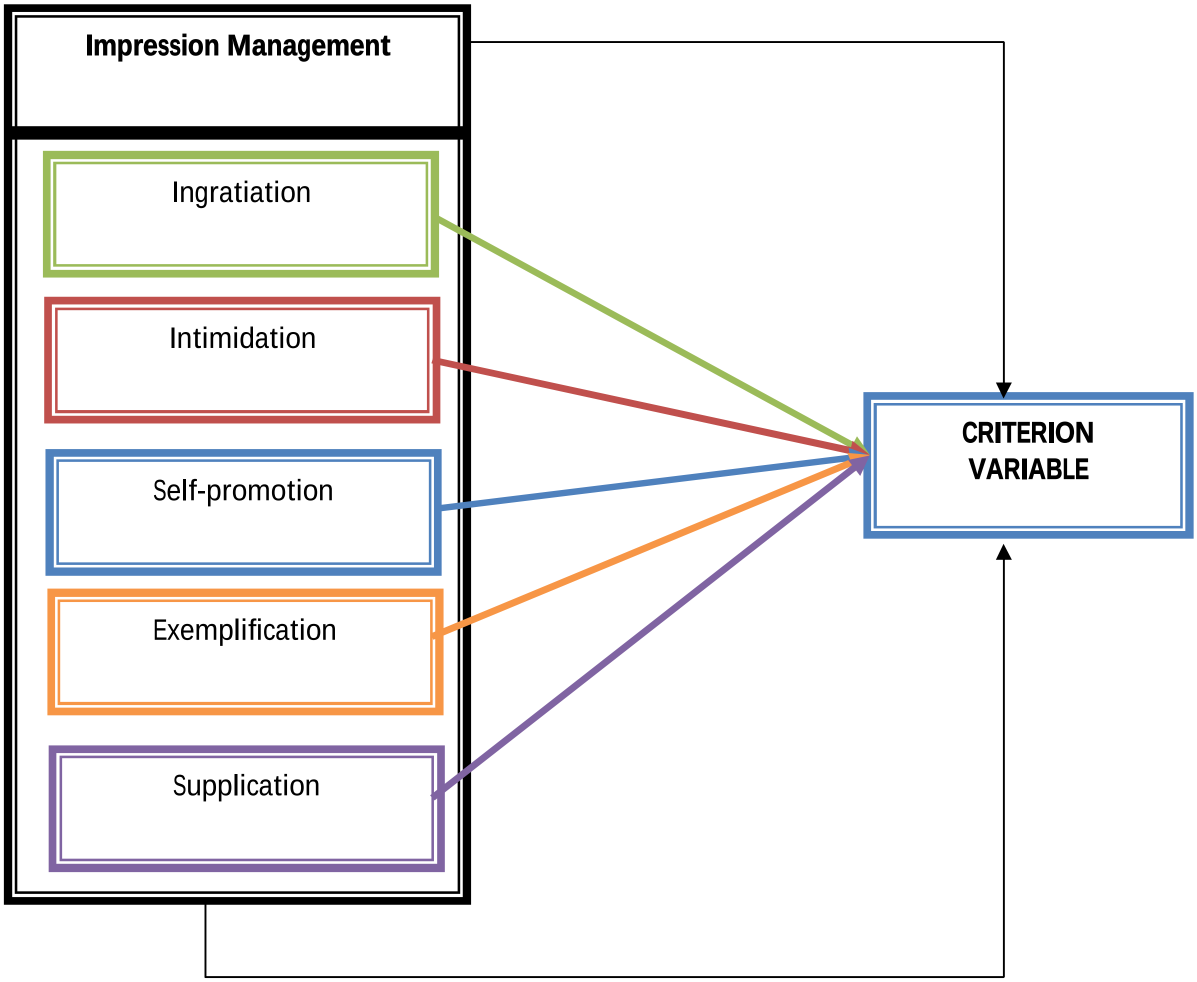
Empirical studies related to job satisfaction and organizational commitment and integration of them to the literature have been a matter not only for international management science literature (Shore, Barksdale and Shore, 1995 in Abelson 2010; Hunt and Morgan, 1994 in Barrow and Mostley 2005; Cohen, 1993; Randal, Fedor and Longenecker, 1990 in Becker 2006; Mowday, Steers and Porter, 1979 in Bateman and Organ 1983) but also for national management science literature (Karatepe and Halici, 1998; Erdil and Keskin, 2003 in Borman and Motowidlo 2010; Ibicioglu et. al., 2005 in Becker 2006; Cekmece1ioglu, 2006 in Christie and Geis 2000). Job satisfaction could be defined as positive feelings that employees have towards their jobs (Schermerhorn, Hunt and Osborn, 1997 in Borman and Motowidlo 2010) or satisfaction and loyalty that employees have towards their jobs (Lim, Griffin and Sambrook, 2010). According to Meyer et al. (2002 in Meyer and Allen 2007), job satisfaction is a determinative of organizational commitment. The main difference between organizational commitment and job satisfaction is that while organizational commitment can be defined as the emotional responses which an employee has towards his organization; job satisfaction is the responses that an employee has towards any job. It is considered that these two variables are highly interrelated. In other words, while an employee has positive feelings towards the organization, its values and objectives, it possible for him to be unsatisfied with the job he has in the organization. There is no doubt that organizational commitment leads to job satisfaction. Job satisfaction has been recognized as a component of organizational commitment (Mathieu and Zajac, (2007)). More specifically organizational commitment can be understood as a predictor of job satisfaction. Grey and Garsten (2001) stated that Job satisfaction is a significant predictor of organizational commitment. Many studies use different facets of satisfaction to predict employee attributes such as performance, organizational commitment, and service quality. Heffener, (2001) observed that Job satisfaction and Organizational Commitment are highly correlated. Mathieu and Zajac, (2007); suggested that affective organizational commitment was found to be most influential with respect to levels of intrinsic and extrinsic job satisfaction. First, satisfaction with the job is directly related to organizational commitment (Brown and Peterson, 1993). Second, job satisfaction is either directly (Neterneyer et al., 1990 in Brass and Burkhardt 1993) or indirectly (Brown and Peterson, 1994 in Sullivan 2004) related to a turnover intentions. Turnover intentions are perhaps the best indicator of future turnover (Eisenberger, Fasolo and Davis-LaMastro, 1990). Thus job satisfaction can influence a variety of important attitudes, intentions and behaviours in employees. It is possible that job satisfaction facets are not equally related to other constructs such as organizational commitment. Gandz and Murray (2000) indicated that the employees develop attitudes toward such job facets as work, pay, promotion, co-workers, company policies, supervisors and customers. According to De Gilder, (2003) see job satisfaction as an antecedent to organizational commitment. They also suggested that the organizational commitment relationship from a more detailed perspective of job satisfaction facets rather than global or overall job satisfaction. Barrow and Mostley (2005) indicate that various facets of job satisfaction are more strongly related to organizational commitment. They also indicate that these relationships are not the same for male and female salespeople.

It is very important to identify factors on which organizational commitment is dependent. Although a great deal has been written about organizational commitment, still there is no clear understanding on how the factors purported to be associated with it contribute to its development or how these organizational factors can be managed to promote the development of organizational commitment (Becker 2006).

Human resources management practices, leadership styles and trust within the organization are some of the organizational factors that have been associated with organizational commitment (Meyer and Allen, 2007). Based on literature following are some of the factors on which organizational commitment of employees is dependent: Employment status (full time or part time) is a determinant of organizational commitment. It seems that part time employees exhibit less commitment as compared to full time employees. Many studies have concentrated on the implications for managers with regard to organizational commitment of full- time employees. There exists a need, however, to examine the organizational commitment of part-time and distance workers as compared to full-time workers. Committed members are viewed as stable, productive, and more likely to accomplish organizational goals than their less committed colleagues (Larkey and Morrill 1995 in Sartain amd Shuman 2006). Research on the commitment of part-time workers in general shows mixed results. Mathieu and Zajac, (2007) have also found that part-time workers are less committed to and satisfied with their jobs than full-time workers. Commitment cannot be generated in overnight. Employees must stay at a considerable length of time in organization then only commitment will start generating in their mind. Hale and David (2001 in Meyer and Allen 2007) indicated that tenure had a significant effect on several of the component scores for satisfaction. Further, satisfaction with policies, compensation, work conditions, and advancement were found to have a significant relationship to organizational commitment. They also suggested that management might be able to increase the level of commitment in the organization by increasing satisfaction with compensation, policies, and work conditions. Tenure is one factor on which organizational commitment is dependent but importance of few more factors like organizational membership and pay grade cannot be ignored. Crewson, (1997) (in Mathieu and Zajac 2007) found that correlates of length of organizational membership, seniority and pay grade, have been found to have a positive relationship with organizational commitment, and Kim (2002) (in Liden and Mitchell 2010) found that length of organizational membership is positively related to job satisfaction. Few behavioural scientists believe that for generating commitment organizational support is also a key factor. Yoona (2002) (in Liden and Mitchell 2010) proposed a new dual-process model of commitment The model Stipulates that overall job satisfaction and perceptions of organization support are key emotional and cognitive processes that mobilize commitment in the Workplace Model also suggests that the feelings of job satisfaction and perceptions of organizational support operate throug1 independent channels to mediate the impact of work experiences on organization commitment Importance of training in developing com1jtted employees cannot be ignored. Training generate5 a feeling of belonging among employees Likewise executive deve1opient prog1anrn also seems to be a platform of Producing committed employees Lam and Zhang (2003) (in Cohen 2005) conducted a study and found that expectations are normally unmet, and job characteristics training and deve1opnent *and* compensation and fairness are related to satisfaction and commitment.

Conceptual Framework and Implication for Research

Figure 1: **A Conceptual Model for Empirical Research on Impression Management**



Source: Author's Conceptualization

The Research Implications of the Conceptual Model

The conceptual model developed from the empirical reference on impression management shows a five dimension content of impression. In considering that it is a purposive perspective on action, it is implicit that impression management is a predictor variable (Pfeffer, 1982 in Heffener 2001). This means that impression management is not an end, but a means to an end; because it is conducted to elicit a reciprocal behavior phenomenon. The possible criterion variables that can be paired with impression management as their predictor are: employee commitment, orgaisational citizen behavior, effective leadership, employee altruistic behavior, etc. Also, because it takes the purposive rational perspective on action, the attendant research philosophy tends to be subjectivism, with human nature determinism, necessitating ideographic qualitative analysis. What this entirely implies, is that research on impression management may be effective if conducted from the subjective research philosophy viewpoint. This bears on ontological idealism, epistemological anti-positivism, human nature determinism, and monothetic methodology. Besides, we also suggest the adoption of *Kentian critical realism*, to engender the application of *methodological paradigm triangulation.* This is necessary to move closer to the truth on the knowledge of impression management.

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Effect of Job Design on Corporate Effectiveness of Nigerian Organizations

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Abstract
This study investigated the effect of Job Design on Corporate Effectiveness of Nigerian organizations. To achieve this objective, some hypotheses were formulated and a review of literature was made. A pilot survey of forty-five(45) managers from selected organizations in Port Harcourt, Nigeria was adopted in collecting the necessary data for this study. This was done through the administration of a questionnaire designed in five-point Likert Scale. The data generated for the study were analysed using the Spearman's Rank Correlation Co-efficient. The findings from this study indicated that job design has a significant effect on employees' motivation and corporate productivity. Based on the findings, it was recommended that in Nigerian organizations, when planning organizational structure, both job design and corporate effectiveness need to be taken into cognizance because specification has to be made concerning the task needed.

Keywords: *Job design, corporate effectiveness, Nigerian organizations, employees' motivation, corporate productivity.*

Introduction

Corporate effectiveness is the overall efficiency of the business. It is not a goal in itself but rather the means to an end – achieving your goals. The degree to which these dimensions may be achieved will largely be influence by the extent to which needs and aspirations of those working in the organization are recognized. Oliver (2000) asserted that the current level of manpower training and development in most companies is very inadequate and discouraging. Infact, most organizations have failed in their operations due to its neglects over this very important area of planning towards corporate effectiveness, in which job design plays a significant role.

Jobs are fundamental to organizations. They are the principal vehicles for the allocation of tasks, duties and roles to the various personnel employed by the organizations. In their classic work "The management of Innovation" Starker and Bums (1991 drew some important distinctions between rigid and flexible organization, which they termed "Mechanistic" and "Organic" respectively. For the mechanistic organizations are typified by specialist tasks performed in isolation from others, precise definition of methods and duties vertical interactions within management operation behaviour governed by superiors and vertical communication flows. By comparison, an "Organic" system was seen to be adapted to unstable conditions when problem arises which cannot be broken down and distributed among specialist roles within a clearly defined hierarchy. Here, knowledge is seen as distributed throughout the organization.
However, whether organizations see themselves as "mechanistic" or "organic", ultimately, organizational development is implemented at the level of individual job.

Oliver (2000) claimed that employees who are given greater variety and independence in their jobs feel both less stressed and more satisfied. This suggests that several management practices designed to make employees more efficient, promote corporate effectiveness. Through job design, organizations try to raise productivity levels by offering non-monetary rewards such as greater

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satisfaction from a sense of personal achievement in meeting the increased challenge and responsibility of one's work. Job I enlargement, job enrichment, job rotation, and job simplification are the various techniques used in a job design exercise (Inyang, 2004). Job design is believed to have a positive impact on corporate performance. Most firms invest time and resources on job design as a means of improving their corporate performance and in-turn leading to increased productivity (Buriley, 1993).

In the recent surge of organizations carrying out this activity of rearranging employees' job satisfactions with success stories of some and the unfortunate failures of others necessitated the investigation of the effect of job design on corporate effectiveness. This case of uncertainty and probability needs to be straighten. Based on the above, the objective of this study is to examine the extent to which corporate effectiveness be achieved or enhanced within the province of job design.

To achieve the above objective, the following hypotheses are raised –

(i) Ho; Job design has no significant effect on employees' motivation in Nigerian organizations.

(ii) Ho; Job design has no significant influence on the productivity of Nigerian organizations.

Literature Review

Job Design is the process of deciding on the content of a job in terms of its duties and responsibilities; on the methods to be used in carrying out the job, in terms of techniques, systems and procedures and on the relationships that should exist between the job holder and the superiors, subordinates and colleagues (Hartzell, 2006).

Job design is to increase both employee motivation and productivity. Increased productivity can manifest itself in various forms. For example, the focus can be that of improving quality and quantity of goods and services, reduce operation costs, and/or reduce turnover and training costs. On the other hand, increasing employees' motivation can be achieved through increased job satisfaction.

The nature and concept of job design is ascribed to Davis and Canter (1955) who saw design as the organization or structuring of a job to satisfy the technical organization requirements of the work and the human requirement of the person performing the work.

Davis work led him on to identifying the numbers of design problems relating to the structuring of jobs. These were as follows;

a) Identifying job boundaries
b) Determining methods of estimating and controlling these factors.
c) Identifying the factors that work in jobs.
d) Developing systematic design methods.
e) Developing criteria for evaluating designs.

In facing up to these problems, Davis concluded that, in order to achieve more effective performance and greater job satisfaction on the part of the employee, it was necessary for jobs to be meaningful to the individual unbound. This idea has since become a dominant feature of modem approaches to job design summed up in the quality of working life movement. The questions faced by those seeking to adapt on jobs can be summarized as follows;

a) What tasks need to be done?
b) How should these tasks be divided into computers, machines and people?
c) What are the optimum tasks for people in terms of
   i) Personal satisfaction

ii) Efficiency
d) How should tasks be grouped to form individual job?
e) What mechanisms are required to facilitate changes to jobs in response to new condition?
f) What priority should be given to organization efficiency our individual job satisfaction? (Oliver, 2000; Hartzell, 2006)

However, the answers to these questions will depend largely on the attitude of management to the issue of organizational structure. If a mechanistic approach is preferred, then it is likely that people's job will be designed around machines and work-systems rather than the other way round.

One of the ways of tackling the issue of corporate effectiveness is to enhance the motivating factors in jobs. The term job enrichment was coined by Hertzberg (1968) to denote the vertical enlargement of a job by adding responsibility and opportunity for personal growth. It provides the opportunity for the employee's psychological growth, while job enlargement merely makes a job structurally bigger. There have been two major is in job enrichment which are;

a) Hertzberg (1995) motivation - hygiene theory
b) Expectancy theory

Hertzberg suggested that there were several factors at work which could lead to employees job satisfaction and thus in Hertzberg is view be motivated. These factors include achievement, recognition, responsibility and opportunity for personal growth.

Hertzberg (1968) proposed seven useful starting prints adopting principles of vertical job loading as follows;

a) Give a person a complete unit of work.
b) Remove some controls while retailing accountability.
c) Increase the accountability of individuals for their own work.
d) Grant additional authority to an employee.
e) Make periodic reports back to employee rather than to his or her supervisor.
f) Assign individual tasks which enable them to become experts.

In practice, most of these prints have indeed been adopted by job designers in order to meet human needs at work (Wondell, 1994).

More so, expectancy theory states that if an employee can see links between his or her efforts and performance between performance and rewards, and if these rewards are personally valuable to him or her then he or she will be motivated to put in the required efforts.

The dominant rationale for job design over the years in respect has been the need to achieve optimum output. This is the rationale of scientific management in which human work and effort is been in terms of its relationship to machine and the system created for them.

Davids and Taylor (1999) put it as follows: "What we have seen is the rationalization of work, and in the 1960's, the rationalization of systems."

The hallmarks of job design according to the scientific management approach are as follows;

a) Maximum degree of job specialization
b) Minimal level of skill
c) Minimal levels to completion of tasks
d) Minimal learning time
e) Maximum use of machine
f) Minimal degree of flexibility or discretion in the job

g) Measurability or job tasks.

The production systems resulting from scientific management have undoubtedly led to many improvements in efficiency and productivity at work. In postwar situation, many companies and public service have experienced declined in terms of result output. It is because we have been unequal to the tasks that in the last years, greater efforts have been made to look at job design from the point of view of the employed as well as from the perspective of the production system.

Jobs are responsibilities; most of these jobs are allocated on a fairly crude basis. The manager of a unit sees a number of tasks that need to be done and allocate them to individuals on the strength of his or her own judgment.

A new job may well be discussed with his or her superior manager, possibly with someone from the Personnel department, but invariably, it is the unit manager's perception of the need for and the nature of the past that exerts the greatest influence on the decision to add the job to the structures. As the requirement for tasks change, so jobs change mainly in response to the demands of the immediate management concerned. Only certain kinds of jobs are created in a completely rationale way. However, during review of the organization, the manager concerned has to take steps to redefine the job in the light of the change circumstances. This is when job analysis comes in.

Job analysis is the term used to describe a process of examining jobs in order to analyze the main features and in particular the duties they fulfill, the result they are expected to achieve, the major tasks undertaken, and the job's relationship with other jobs in the organizational hierarchy. The product of job analysis is termed job description.

According to Drucker (1954) in Gameh (2010), if a job is to be described with any accuracy, then adequate coverage of these features is vital.

a) What is the reason for the existence of this job?
b) What key tasks have to be carried out?
c) How much formal authority does the job carry? Authority to commit financial resources? Authority to recruit staff" authority to dismiss/suspend staff?
d) What end-result is expected from the job?
e) What resource does the job command?
f) What formal qualification and what experience are required to perform the job satisfactory?

In carrying out job description, the most difficult section to describe accuracy and concisely are; the overall purpose and the principal duties (Inyang, 2004).

The difficulty arises in the manager's experience because there is always the problem of translating event or concepts into lucid English at the beginning and secondly because the analyst concerned has to identify the key tasks from a waiters of less relevant information obtained from interview or questionnaires.

A useful way of minimizing such difficulties is to tackle the principal duties before attempting to describe the overall purpose of the job. After all, these duties represent the key areas of the job and if they are pinpointed accurately, they can provide an ideal basis for arriving at the main purpose of the job.

Organizational effectiveness is the capacity of an organization to adapt, maintain itself, survive and grow in the fall of changing conditions, which depends to a considerable degree upon how effectively its work force can be managed and utilized. This is so because the human resource of an organization which comprise all individuals regardless of their role and status, who are engaged in any of the organization's activities are most important and valuable assets.
Early writes have offered different viewpoint or perspectives leading to what is now known as management thought or theories.

This research explores in details the major viewpoint to improve our understanding of the nature of management thinking and practice on job design. They include the following:

Scientific Management Throaty

The first studies that popularized job design were done by Frederick Wislow Taylor and his followers in what has since become known as scientific management.

In these studies, researchers looked for the one best way to handle the manual labour part of the process. Frederick W. Taylor (1876-1915) suggests a totally revolutionary way of thinking about the problems of work and organization. His writing was strongly influenced by the protestant ethnic of his time.

He emphasized the values of hand work, thrift and economic rationality, where a man had a duty to himself to work and a manager's roles was to provide that man with the best tools and method available and to ensure that high production was justly rewarded. He identified four principles of scientific management as follows:

a) Management should develop a scientific approach for each element of an individual's work to replace rule of thumb guidelines.
b) Management should develop, select, train and teach scientifically each work, so that the right person has the right job.
c) Management should scientifically cooperate with workers to ensure that the job matches plans and principles.
d) Management should ensure an equal division of work and responsibility between managers and workers.

Taylor advocated that the scientific management will emphasize productive efficiency and developed incentive scheme to enhance motivation and also emphasized effective cooperation between management and workers.
Katz and Rosenwig (1999) criticized scientific management on the grounds that it intended to exploit workers more than it benefited them. Bartol and Martin (1991) also noted that scientific management can sometime make jobs over specialized, often resulting in work resentment, poor quality, absenteeism and turnover. In addition to that, the following are other major advocates of scientific management. They include H.L. Gant (1861-1919), G. Frank (1968-1924), Litian (1 878-1972) and H. Emerson (1853-1931).

Human Relation Theory

The human related movement of the early 1920's contributed so much to job design, task specialization, orderliness, control, productive efficiency and stability. The human relationists merely added the human factor or dimension to management or organizational practice. Their specific interest was human being who must not be considered as a like to machines, but who requires human treatment in the work place. The human relation movement therefore grew out of a reaction against the impersonality of the scientific management era.

Mayo (1933) and Roctblisberger and Dickson (1939) provide the major support for the many ideas of the human relation theory.

a) The importance of non-economic factors in employee motivation is recognized.
b) Reference is given to human rather than technical factors.
c) Horizontal level of communication is encouraged.

Their works attempt to explain the relations of man to work. The research began in 1924 at the Hawthorne works of the Western Electric Company in Chicago and was headed by Elton (1 880-1949). Fritz J. Rocelthlisberger (1898-1974) was his associate consultant in the studies.

The Hawthorne experiment was organized in three categories as follows;

i. Illumination or lighting experiment
ii. Test room or relay experience
iii. Bank wiring room experiment

The general conclusions on Mayo's work, according to Eteng (2008) are –

i. That job is a group activity
ii. That the social world of workers is primarily about work activity
iii. That group collaboration does not occur by accorded by must be planned for and developed
iv. Internal groups inside the world place exercise strong social control over the work habit and attitudes of individual workers
v. A complaint through not necessarily objective may be a manifestation of underlying disturbance
vi. The worker is a person whose attitude and effectiveness are conditioned by social demands from inside and outside the work place
vii. The need for recognition in man, for security and sense of belonging is more important in determining workers' morale and productivity than the physical condition under which they worked.

Methodology

In order to generate the necessary data for this study, a pilot survey of forty five (45) managers selected from different organizations in Port – Harcourt was used. A questionnaire was administered on the managers to elicit their responses on the point variables under study. The questionnaire was designed in five Likert-scales

The data generated for this study were statistically tested with the spearman's Rank correlation co-efficient

Empirical Analysis

The data collected from this study were presented and statistically tested in this section,

Table 1: Effect of Job Design on Employees' Motivation

Job designed	**Very high**	**High**	**Low**	**Very low**	**indifferent**	**Total**
Very high	6	15	0	0	0	21
High	18	6	0	0	0	24

Low	0	0	0	0	0	0
Very low	0	0	0	0	0	0
Indifferent	0	0	0	0	0	0
Total	24	21	0	0	0	45

Source; Survey Data, 2013

Table 2: Computation of Spearman's Rank Correlation Co-Efficient

Job design (X)	**Employees' motivation (Y)**	**Rx**	**Ry**	**Rx - Ry**	**(Rx– Ry)^2**
21	24	1	2	-1	1
24	21	2	1	1	1
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
					2.0

Source: researchers' computations

P = 1 - $\frac{6\,\Sigma\, d^2}{n(n^{2-1})}$

Where n = 5 Σd^2 = 2

Substituting values

P = 1 – $\frac{6\ (2)}{5\ (24)}$

P = 1 - $\frac{12}{120}$

= 1 – 0.1 = 0.90

At 0.05 level of significance, P critical value = 0.61

Decision: since p computed (0.90) > P critical (0.61), the null hypothesis is rejected. This implies that job design has a significant effect on employees' motivation in Nigerian Organizations

Table 3: Influence of Job Designed on Corporate Productivity

Job design	**Corporate Productivity**					
	Very high	High	Low	Very low	indifferent	Total
Very high	15	2	4	0	0	21
High	18	5	1	0	0	24
Low	0	0	0	0	0	0
Very low	0	0	0	0	0	0
Indifferent	0	0	0	0	0	0
Total	33	7	5	0	0	45

Source; Survey Data, 2013

Table 4: Computation of Spearman's Rank Correlation Co-Efficient

Job design (X)	**Corporate productivity (Y)**	**Rx**	**Ry**	**Rx - Ry**	**(Rx– Ry)^2**

21	33	1	3	-2	4
24	7	2	2	0	0
0	5	0	1	-1	1
0	0	0	0	0	0
0	0	0	0	0	0
					5.0

Source: Researchers' Computations

P = 1 - $\frac{6 \Sigma d^2}{n(n^{2-1})}$

Where n = 5

Σd^2 = 5

Substituting values

P = 1 - $\frac{6\ (5)}{5\ (24)}$

P = 1 - $\left[\frac{30}{120}\right]$

P = 1 – 0.25

P = 0.75

At 0.05 level of significance and n = 5, P critical value = 0.61

Decision: since P computed (0.75) > P critical (0.61), the null hypothesis is rejected. This implies that job design has a significant influence on corporate productivity in Nigerian organizations

Conclusion and Recommendations

It was also discovered this study that job design significantly lead improved employee performance and corporate productivity in Nigerian organizations, this goes in consonance with Woodward (2005) who noted that management development and job design improves individual, corporate and team performance in terms of quantity, quality, speed, output and general productivity. They noted further that job designed helps to develop a positive culture in the organization which could be a culture of high quality service to customers or culture of high productivity.

Furthermore, it was discovered that job design leads to increased employee motivation and job satisfaction in Nigerian organizations'. This finding supports the view of Harold and Koontz (2003) who noted that job design translate to increased job satisfaction and morale among employees as well as increase employee motivation and effectiveness.

Following the contribution of Burns and Stralker (1991), it was revealed that whether organization see themselves as "mechanistic" or "organic" the fact remains that most of them will be faced by change in one form or another. Organizational development or adapting the organization to respond adequate to change is a growing focus of attention in business and public services. Ultimately, organizational development is implemented at the level of the individual job. That is to say, job design is a key element in responding to changing conditions.

Davis and Taylor (1979) also revealed that the dominant rational for job design over the past 50 years has been the need to achieve optimum output. In response to the above findings, effort should be made by

Nigerian organizations to organize an annual seminar on job design which will always facilitate change and a boost of output and profitability will always be the final result.

Based on the above, it is therefore recommended that when planning organizational structure, both job design and corporate effectiveness need to be taken into cognizance because specification has to be made concerning the task needed.

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An Assessment of the 2004 Pension Reform Scheme in Nigerian Public Service

By

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Abstract

This study aimed at assessing the 2004 Pension Reform Scheme in Nigeria with a view to determine the impact of the Scheme on Gross Domestic Product (GDP) and the welfare of employees in public service. This was achieved through a review of related theoretical and empirical literature, as well as the formulation of hypotheses. The population of the study, which was selected through convenience sampling technique by the researchers, consisted of 1.160 staff of the University of Port Harcourt, the Nigerian Immigration Service, and the Road Safety Commission in Rivers State. The Primary data for the study were collected through the administration of questionnaire while the secondary data which cover a period of eight years (2006 – 2013) were source from the office of the National Bureau of statistics. The data generated for the study were statistically tested with the regression analysis. Our major findings in this study revealed that the 2004 pension reform scheme has a significant impact on GDP but positive and insignificant effect on employees' well fare. Based on the above, it was recommended that – the government should ensure the sustainability of the scheme, which however must be reviewed periodically in line with constitutional provisions; employees should be properly educated and enlightened wit he modus of operandi of the scheme to properly secure their co-operation; operators in the pension industry should be effectively supervised and regulated to promote administrative efficiency of the scheme; and the National Pension Commission (PENCOM) should impose sanctions or penalties on any employer who fails to make remittances to the Retirement Savings Account (RSA) and other defaults.

Keywords*:Pension reform scheme, public service, employees' welfare, Gross Domestic Product, retirement savings account.*

Introduction

The attainment of organization's objective requires human resource with requisite skills, knowledge, abilities and talents to transform other organization's resources into output. For this reason, labours are hired to work for the organization and receive monetary rewards for their services go enable them satisfy their needs for food, clothing, shelter, safety, esteem, etc. This essentially involves exchanging labours for rewards. According to Mercado (2012) the monetary rewards that employees receive in recognition of their effort and productivity include wages/salaries, pensions and gratuities. While wages/salaries are regular monthly benefits in the course of employment, pensions and gratuities are retirement benefits.

Life after retirement is one of the dreaded periods of most employees. Ikeji, Nwosu and Agba (2011), posited that the fears of facing the future after retirement creates an ambiance of disturb among employees. Workers see retirement as a transition that could lead to psychological, physiological, and economic problems. In view of the economic jogjam employees may likely face after retirement, employers of labour maintain a retirement plan in the form of pension for all employees. According to the Nigerian Pension Act, now CAP 346 of the Laws of the Federation of Nigeria 1990, Pension is a Social contract entered into by the employer to pay retirement benefits to his former employees who are no longer productive to his organization. In other words, pension is a periodic payment made by the employer to an employee who has been disengaged from employment as a result of oldage, disability or completion of required length of service. It is a means of restoring a retired employee to a near income level that he is already used to.

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There is no gainsaying that employees who have worked productively and successfully and retired from service should be enabled to enjoy their retirement with adequate funds and hence with positive ripple effects. Such a situation can only be obtained from the existence of a satisfactory pension scheme. A satisfactory pension scheme has proved difficult for governments across the world, in both the developed and developing countries (Imhanlahimi, 2010).

The weak and inefficient administration of Nigeria Pension Schemes and the unsustainable outstanding pension liabilities estimated in 2003 at ₦ 2 trillion, threatens the growth of the Nigerian economy. More so, the Nigerian government was unable to service pensions of retirees thereby hindering the welfare of retired employees. Change and Jaegar (1996), observed that various governments have been engaging in pension reforms, so as to reduce their financial commitments while at the same time fulfilling their social corporate responsibility to retired employees. In view of the above, the Federal Government of Nigeria approved and signed into law the Pension Reform Act, 2004. The Act repealed the Pensions act, 1990 and established the uniform contributory pension scheme for both the public and private sectors of the Nigerian economy.

Almost a decade after the establishment of pension reform scheme, there is still a high level of doubt among Nigerians as to whether the reform scheme is able to address the unsustainable outstanding pension liabilities thereby contributing to economic growth of the country; and provide adequate resources to employees after retirement from service. It is interesting to note that the literature on pension reform in Nigeria has been growing steadily and it has been reporting a number of researches that have investigated different aspects of pension matters. Some of the previous studies are Imhanlahimi (2010), Ikeji et al (2011), Popoola (2012), Ahmad (2012, Babatunde (2012), and Edogbanya (2013. However, none of these studies except Popoola (2012) but without empirical evidence wholistically address both the employer and employee's view point of the 2004 pension reform scheme particularly in the public sector. This is the gap, which the present study tends to close by examining –

(i) Impact of the 2004 pension reform scheme on Gross Domestic Product in Nigeria.
(ii) The extent to which the 2004 pension reform scheme influence the welfare of retired employees in Nigeria.

To achieve the above objectives, the following hypotheses were raised.

Ho_1; The 2004 Pension reform scheme has no significant impact on Gross Domestic Product in Nigeria.

Ho_2: The 2004 Pension reform scheme has no significantly effect on employees' welfare in Nigeria.

Conceptual Framework

There are different perspectives to the definitions of pension scheme. According to Aiga (2001), a pension is a contract for a fixed sum to be paid regularly to a person, typically following retirement from service. Bertrand (2003) defined pension as a programme to improve the living standard of the elderly people who have outlived the labour force group. Idowu (2006) defined pension scheme as a social security as well as a welfare package for the old or retired people who are in their years of labour inactivity. For Ilesami (2006), pension scheme is a social security maintenance plan for workers after their disengagement as employees through retirement. Our workable definition of pension, is a periodic

payment made by the employer to an employee who has been disengaged from employment as a result of oldage, disability, or completion of require length of service..
When the 2004 Pension Reform Act was promulgated, it was meant to establish a contributory scheme for the payment of retirement benefits of employees in the public and private sectors. The law sought a system that would correct failures of the old scheme, in which workers were subjected to undue hardship, especially in the nonpayment of their pension. Under the old scheme, such expected beneficiaries had to queue for days to get their pension, with many of them dying in the process without getting paid (Popoola, 2012). Under the contributory scheme, every employee is mandated to open and maintain an individual Retirement Savings Account in his or her name with any Pension Fond Administrator of his choice and notify his employer of it, according to Section 11 of the 2004 PRA, PFAs are, by law, mandated to manage the SRA accounts, but these funds and pension assets must be kept with Pension Fund Custodians, who are guaranteed by banks. They are to be regulated by the National Pension Commission.

On retirement, a worker can have access to the fund when he reaches the age of 50 and is no longer in paid employment or, when he gets to the retirement age stipulated by his employer. However, he would not be allowed to withdraw the total balance in his RSA, as he can only be given certain percentage of he fund known as lump sum, while the rest will be utilized either as programmed withdrawal or as annuity. Popoola, 2013).

If the retiree opts for programmed withdrawal, his PRA will be paying him monthly pensions for a maximum period of 28 years. On the other hand, if he opts for annuity, the remaining balance in his RSA, after deducting the lump sum, will be transferred to n insurance company chosen by him, and the insurance company will pay him for life.

The 2004 Pension Reform Act is a paradigm shift from the 1990 Pension Act. Under the new scheme, employers and employees alike are to contribute 7.5 percent of employee’s monthly emolument which include basic salary, housing and transport allowance. However, military personnel are to contribute 2.5 percent of the employees monthly emolument. Hence it is called contributory Pension Scheme (CPS).

The scheme covers the private sector with five or more employees. The only exceptions are public employees who have three years or less to retire with effect from the date of enactment of the Pension Act being 30th June 2004 (National Pension Commission, 2004). The employer may elect under the 2004 Pension Act to bear the full burden of the pension by contributing not less than 15 percent of the employees’ monthly emolument.

According to Ahmed (2006), the objectives of the new pension scheme include among others to ensure that every employee in the private and public sectors receives his/her benefits as and when due; to establish a uniform rules, regulations, standards and laws for the administration, management and payment of pension funds in the country. The scheme was also established to assist employees by ensuring that they save to cater for life after retirement. More so, the scheme was to address the huge unsustainable pension deficit estimated at about two trillion naira which characterized the former Pay-As-You-Go (PAYG) Pension Scheme. According to Aminu (2010), the contributory pension scheme would address the pension deficit of the past in Nigeria; that the scheme as of July, 2010, has an asset of 1.7 trillion naira (11.3 billion dollars) across the country.

The rationale of the contributory Pension Scheme to the government and the individual workers/ retirees, include –

(i) To enable the Nigerian government weather the storm of embarrassment that it used to be subjected to because of its inability to pay the DBPS. This is in spite of the fact that the percentage of retired public servants in Nigeria, is quite lower than what obtains in many countries of the world (Ahmed, 2004).

(ii) The government can devote some of its attention to other pressing needs of the society. For example, government can now preoccupy itself with adequate public policy process (formulation, implementation, impact evaluation and feedback assessment). It is expected to ply its entire savings from leakages on account of payments to ghost retirees to the common good of the society. (Lindbeck and Persson, 2003).

(iii) The choice and change (only once a year) of Pension Fund Administrator (PFA) by the individual worker, who exercises his personal judgment on the matter. He takes responsibility for the judgment. There are other areas in which the individual exercises his personal judgments in the CPS. These include a retiree deciding what lump sum of money, out of his total pension fund, he wishes to take out at once as his gratuity. The remaining sum of money is to be paid to him on monthly or quarterly basis, as he chooses, as pension. The law, however, does not allow a retiree to take a lump sum of more than 50% of his total pension fund. He could however, take less than 50%.

(iv) The individual can take part in the choice of investment opportunities or products (on the guidance of professional fund managers) for his pension fund. This is, however, done within the general regulatory framework of low risk investment of a pensioner’s funds, while assuring certainty for the fund.

(v) There is the fact of increased employment generation with the CPS in operation. This is so because, in addition to the public servants in the ministries and parastatal organizations in Nigeria, who are in charge of pension matters, the CPS has enabled employment generation in the form of regulators, operators, contractors, participants, advisers, etc. The ripple effect of this could be a general boost in the economy or what Leigh (2009) called the potential to generate positive economic externalities as the financial assets have since been put at over 1 trillion. For Masha (2001), the new pension reform can result ‘in financial deepening … (and) increase in the stock of financial savings, which are available for investment and impacts positively on growth’, thus enabling more employment. Increased employment also has the potential of enabling more people in the society to live more decent lives. Pension Act would help to facilitate the growth of several sectors of the nation’s economy (Mbanugo Udenze reported in Ezem, 2006).

(vi) The CPS has the value of harmonizing pension system for both the private and public sector workers and hence capable of facilitating intersectoral movement of personnel. This problem had been highlighted in Nigeria during the fundamental Public Service Review Commission Report, 1974, popularly referred to as the Udoji report. According to Fagbulu (1979) in

Imhanlahimi (2010), much as intersectoral movement was noticed as a problem following the report, no viable solution was offered as a panacea. The CPS is a workable and sustainable solution to intersectoral movement, applicable anywhere because of its straight forwardness and simplicity.

(vii) Another rationale for the CPS is that it has laid to rest all the vicissitudes that some organizations used to expose their staff to when it came to pension matters. In order to attract officers, all organizations, especially in Nigeria used to build-in pension matter into their conditions of service. Some used clear, and others ambiguous, language to couch pension matter in the conditions of service. In many cases the ambiguity of the language of pension reared its ugly head when some organizations' staff indicated intention to retire or actually retired and wanted to be paid their pension entitlements. It was then that they found that 'the so-called rights to pension or gratuity (in their employment letter) may be hollow'. The hollow pension language usually gave rise to series of litigations.

Theoretical Framework

Many theories have been developed in relation to pension reform scheme across the globe. The theory underpinning this study is the Malaski, Firend and Capelli (1982) Deferred Wage Theory. The theory views the pension scheme as a method to defer some compensation until an employee retires. The employer promises to provide a pension payment in exchange for current services. The deferral of wages often results in individual tax savings.

The deferred wage theory generally incorporates a long-term or lifetime implicit labour contract between the employer and employee that has various implications for the employer. The employer receives cashflow benefits to the extent that the present value of deferred wages exceeds the required funding. Becker (1964) in Edogbanya (2013, suggests that the delayed vesting of pension scheme serves as an incentive to increase training costs, since it causes an average employee to work longer for the organization.

According to Popoola (2012), the asset of the 2004 Pension Reform Scheme has continue to be on the increase. He explained that data available at the National Pension Commission showed that the total pension fund asset rose from N405b, N815b and N1,096b to N1.530b in 2006, 2007, 2008 and 2009 financial periods. Between 2010 and 2011, it rose from N2,030b to N2,400b, while it stood at N2,500b as at the end of August 2012.

The funds, which cannot be left idle, are being invested in different assets to yield profits. As at September this year, the statistics revealed that N1.7tn, representing about 63.07 percent of the funds, had been invested in Federal Government of Nigeria's securities. According to the statistics, a sum of N275.58bn or 10 percent of the funds is in local money market securities; N273,29bn or 9.99 percent of the funds is in domestic ordinary shares; with N171.87bn or 6.28 percent of the funds invested in real estate property. The figures enumerated that 3.99 percent or N109.16bn is in state government securities; 2.61 percent or N71.36bn in corporate debt securities; 1.33 percent or N36.4gn is in foreign ordinary shares; while 1.2 percent or N32.68bn was invested in other assets. Similarly, 0.85 percent or N23.37bn of the funds is in private equity; 0.41 percent or N11.3bn in open and closed fund; while 0.18 percent or N4.8bn has been invested in foreign money market securities. On profits made from the investments, the figures revealed that the industry recorded 19.37 percent, 0.34 percent, 11.41 percent and 11.64 percent average returns on investment of RSA funds in 2007, 2008, 2009 and 2010. The National Pensions Commission (2010), revealed that the pension funds were already generating appreciable pool of funds for long-term investible funds. The CPS currently has about 56,498 retirees from the public and private sector, who have collected over N152.36bn as lump sum, as well as collecting about N1.77bn as monthly pensions. He noted that 54,558 retirees that opted for programmed withdrawal had been paid N145.37bn, while only 1.940 had so far opted for annuity and had been paid N6,99bn lump sum. Economically, the scheme had been making contributions to the Gross Domestic Product, while happening in the global economy had also had some effects on the funds. Popoola (2012), reported that the proportion of the pension assets to Nigeria's Gross Domestic Product rose from 1.4 percent in 2006 to 7% in 2010.

Renaissance Capital (2012) in Ahmad (2012 noted that accumulated pension assets has grown from about N265m and 1.4% of GDP in 2006 to N2.74b or almost 10% of GDP by mid-2012, Ahmad (2012 observed that under the 2004 pension reform scheme, the number of retirees drawing monthly pension has risen to 54558 retirees from both public and private sectors under the scheme as at September 2012. They have collectively received over N151.52 billion of their accumulated pension savings as lump sum and were receiving about N1.77 billion monthly as pension.

In his study on "Pension reform, public workers' productivity and welfare in Nigeria; lessons for some other African countries", Imhanlahimi (2010) found that the contributory pension scheme although assured funds for pension payment to retired employees, has not improved the welfare of retired public servants, as the scheme seems to be of more benefit to the government than the employees. Ikeji et al (2011) conducted a study on "contributory Pension scheme, workers commitment, retention and attitude towards retirement in the Nigerian civil service", and reported that contributory pension scheme significantly affects workers commitment to work, retention and attitude toward retirement.

Gunu and Tsado (2012) in their empirical research on "contributory pension system as a tool for economic growth in Nigeria" claimed that the contributory pension scheme has contributed to the increase in growth and development of not only the Nigerian capital market but the economy in general. In his research work on "|the impact of contributory pension scheme on workers' savings in Nigeria", Babatunde (2012 revealed that no significant relationship exist between contributory pension scheme and employee savings. In a related empirical study by Edogbanya (2013 on "an assessment of the impact of contributory pension scheme to Nigerian economic development", it was affirmed that contribution pension scheme has a significant impact on Gross Domestic Product.
The above discussions revealed mixed findings of the impact of the 2004 pension reform scheme on the selected variables.

Methodology
The population of this study is made up of Federal Public Servants comprising staff of the University of Port Harcourt, the Nigerian Immigration Service and the Road Safety Commission in Rivers State of Nigeria. The researchers adopted the convenience sampling technique to draw a total of 1,160 respondents (710 staff of the University of Port Harcourt, 250 staff, of the Nigerian Immigration Service and 200 staff of the Road \Safety Commission). In generating he primary data for the study, a questionnaire designed in 8-point semantic differential scale was used. The secondary data for the study

(Gross Domestic Product and Pension Fund Assets) which covers a period of eight years (2006 – 2013) were sourced from the office of the National Bureau of Statistics.

The data generated for this study were statistically tested with the regression analysis, which was computed with the aid of the statistical Package for Social Sciences (SPSS) version 16.

Analysis and Results

A total of 1,160 copies of the questionnaire were administered on the respondents, but 997 copies representing 85.9% were returned fully completed and usable.

Ho1; The 2004 Pension Reform Scheme has no significant impact on Gross Domestic Product in Nigeria.

In testing this hypothesis, data on GDP and Pension Fund Assets (PFA) as collected from the office of National Bereaus of Statistic were used and the result obtained is as shown in the table below.

Table 1; Impact of the 2004 Pension Reform Scheme on GDP

Statistical Variables	**Values**
Correlation Coefficient (R)	0.540
Coefficient of Determination (R^2)	0.294
t-statistic	2.653
p-value	0.038
Regression Constant (α)	15122.701
Regression Coefficient (β)	1.331

Source; SPSS Version 16 Window Output.

The data presented above show a correlation coefficient (R) of 0.540, which is close to one from the positive side. This suggests a strong relationship between the 2005 pension reform scheme and GDP. The coefficient of determination (R^2) of 0.294 suggests that about 29.4% in GDP is attributable to the 2004 pension reform scheme. For 1% increase in PFA, GDP increases by 13.31%. The tests of significance (2.653 and 0.038) indicate a significant impact; hence the null hypothesis is rejected. This implies that the 2004 pension reform scheme has a significant impact on Gross Domestic Product.

Ho_2; The 2004 Pension Reform Scheme has no significant effect on employees' welfare in Nigeria.

In testing this hypothesis, data on employees' welfare (EW) as shown in the appendix and pension Fund asset (PFA) as collected from the office of the National Bureau of Statistics were used and the result obtained is as shown in the table below.

Table 2; Impact of the 2004 Pension Reform Scheme on Employees' Welfare

Statistical Variables	**Values**
Correlation Coefficient (R)	0.286

Coefficient of Determination (R^2)	0.082
t-statistic	1.171
p-value	0.073
Regression Constant (α)	8510.886
Regression Coefficient (β)	0.021

Source; SPSS Version 16 Window Output.

The data as presented above revealed a correlation coefficient (R) of 0.286, which is close to zero from the positive side. This indicates a weak relationship between the 2004 pension reform scheme and employees' welfare. The coefficient of determination (R^2) of 0.082 suggests that about 8.2% in employees' welfare is attributable to the 2004 pension reform scheme. For 1% increase in PFA, employees' welfare increases by 2.1%. The tests of significance (1.171 and 0.073) reveals that the effect of the 2004 pension reform scheme on employees' welfare is not significant, hence the null hypothesis was accepted.

Conclusion and Recommendations

Prior to the 2004 pension reform scheme, Nigeria operated a defined benefit scheme characterized with many challenges such as weak and ineffective administration, under funding, and poor supervision and regulation, which resulted in unsustainable pension liabilities thereby making the payment of pensions a failure in Nigeria. This necessitated the ushering in of the 2004 pension reform scheme. Since its implementation, many have asked whether the new pension scheme would be able to address the manifold challenges associated with the defined benefit scheme in the past.

In this study, a review of extant literature and empirical evidence revealed that the 2004 pension reform scheme has created pension fund assets, which provide assurance for the payment of pensions thereby minimizing the dehumanizing conditions faced by retired employees as a result of non-payment of pensions. The study showed that the pension fund assts created by the new scheme has its contribution to the Gross Domestic Product in Nigeria in varying proportions. In 2006, the proportion of the pension fund asset to GDP was 2.18%, which moves progressively through 2007 to 2013 at the rates of 3.95%, 4.50%, 6.17%, 5.97%, 6.43%, 6.91%, and 12.23% respectively. Our analysis revealed that the 2004 pension reform scheme has a significant impact on GDP. This result agrees with prior studies such as Gunu and Tsado (2012), and Edogbanya (2013.

Further analysis in this study shows that although the 2004 pension reform scheme has created pension fund assets, which provide assurance for the payment of pensions, the scheme has not significantly enhance employees' welfare. This result is in concordance with Imhanlanhimi (2010) and also supported by Ikeji et al, (2011). The implication of this is that there is still challenge of effective administration of pension scheme. A cursory examination of our findings, clearly show that the 2004 pension reform scheme seems to be of more benefit to the government at the expense of her working population.

In view of the findings generated from this study and the conclusion drawn therefrom, the following recommendations are made –

(i) The government should endeavour to sustain the 2004 pension reform scheme which however must be reviewed periodically in line with constitutional provisions.

(ii) Employees should be properly educated and enlightened the modus of operandi of the 2004 pension reform scheme to adequately secure their co-operation in the scheme.

(iii) Operators in the pension industry (Pension Fund administrators and pension fund custodians) should be properly supervised and regulated to promote effective administration of the scheme.

(iv) The National Pension Commission (PENCOM) should impose sanctions or penalties on any employer who fails to make remittance of benefits to the retirement Savings Accounts (RSA) and other defaults.

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Appendix

Table 3; Gross Domestic Product and Pension Fund Assets

Years	GDP(N, Billions)	PFA(N, Billions)
2006	18565	405
2007	20657	815
2008	24296	1099
2009	24794	1530
2010	33985	2030
2011	37330	2400
2012	40544	2800
2013	19699	2410

Source: Office of the National Bureau of Statistics of various years

Table 4; Measurement of Employees' Welfare

	Variable Items	1	2	3	4	5	6	7	8
(1)	Employees participate in decision making process regarding pension matters in contributing pension reform scheme.	114	1012	600	308	0	222	441	0
(ii)	The dehumanizing conditions of retired employees as a result of non-payment of pension has been minimized with the contributory pension reform scheme	94	432	243	0	500	1176	0	2480
(iii)(	With the contributory pension scheme, employees have control over their retirement saving scheme	97	400	630	400	825	414	532	640
(iv)	Through the contributory pension reform scheme workers are able to save to cater for their years of labour inactivity.	152	418	549	468	450	264	791	712
(v)	The contributory pension reform scheme ensures that all employees receive retirement benefits as at when due.	63	196	213	400	950	1570	700	880
(vi)	The contributory pension reform scheme promotes labour mobility and minimizes incentives for early retirement	149	200	342	392	400	846	1470	776

(vii)	Funds are assured for the payment of pensions in a contributory pension reform scheme.	100	298	294	456	705	1200	616	856
	Average Mean Scores	110	422	410	346	553	816	650	906

***Source**; Field Work, 2013*

Global Virtual Project Team and Performance of Chevron Escravos Gas to Liquid Project (EGTL) in Nigeria

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Abstract

The study investigated the relationship between Global Virtual Team(GVT) and the efficiency of Chevron Escravos Gas-to-Liquid Project(EGTL) in Nigeria. Exploratory research design was employed to determine the relationship between GVT and EGTL. Pearson Product-Moment Correlation was utilized to measure the strength and direction of association and to test the hypothesis at 5 percent level of significance. Findings revealed that there is a strong positive correlation between GVT and EGTL. It is therefore, recommended that Global Virtual Project Team should be established in large organizations with specific projects such as Chevron's Escravos Gas-to-Liquid Project. Chevron should carefully choose the virtual communication technologies that are most appropriate for specific projects. It is hoped that this recommendation would enhance the productive efficiency of Chevron Escaravos Gas-to-Liquid Project in Nigeria.

Introduction

Organizations are currently facing important and unprecedented challenges in an ever dynamic constantly changing and complex business environment as economic activities of all types are moving in the direction of globalization (Rezgui, 2007). The emergence of a new generation of information and communication technologies (ICT) lays the foundation for new organizational forms and structures such as virtual enterprise, dynamic networks and flexible working teams (Lucas &Garud, 2000). These innovative organizational designs are proving to be extremely effective to sustain the increasing competitive, technological and workforce demand of our century. One of the widely adopted team based designs by many organizations today is the technology meditated group often referred to as the virtual teams (VTs) composed of geographically distributed co-workers collaborating using communication and information technologies to accomplish specific tasks (Powell, Piccoli&Ives,2004). An extension of the concept of virtual team is global virtual team (GVT) whose members typically come from different continents or countries interact via various forms of computer meditated technology as they rarely see one another physically. A possibility to quickly create GVTs with members having the best expertise and knowledge for a certain task has brought competitive advantage to organizations. It is possible to respond to agile market changes, without expensive and time consuming business trips (Martins, Gilson, & Maynard, 2004) as the use of technology to communication cuts down the cost of travels.
Global virtual project teams (GVPTs) are often formed to overcome geographical or temporal separation (Cascio&Shurgailo, 2003) and they possess traits that foster extensive use of a variety of forms of technology meditated communication that enables geographically distributed team members to coordinate their individual efforts and inputs (Peter & Manz, 2007). Most of the companies in US are now depending on such teams to perform day-to-day business activities. As witnessed in some developing countries in Africa, virtual communication technology is gradually been integrated in

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some organizations main stream meetings and project collaboration. In Nigeria, this new technology is being utilized in the product development, automobile, IT, oil and banking industry (Makilouko, 2003). The Chevron Nigeria limited a subsidiary of Chevron America Corporation is developing the Escravos gas-to-liquid (EGTL) facility in Delta state in collaboration with the Nigerian National Petroleum Corporation (NNPC). The EGTL project is aimed at developing a facility that converts natural gas into premium environmentally friendly fuel, diesel, GTL naphtha products. This project is being executed by several contracting companies under Chevron Nigeria Limited including Sasol Chevron which provided the project with leading technologies (such as management, operating and technical services), JGC of Japan, Kellogg Brown and Root (KBR) of the USA, Snamprogtti of Italy and Tomba Resources Nigeria (Colville, 2006). These sub-contracting firms work as teams and regularly communicate and collaborate with each other and their business partners in various locations using virtual communication technology such as video conferencing, teleport and 3D holographic technology in an effort to execute the EGTL project

The rapid development of this global virtual project team collaboration has brought virtual work to a whole new level with possibilities for collaborating almost like in face to face (FTF) meetings. Cairncross (2007), has coined the phrase “the death of distance,” suggesting that distance may no longer be a limiting factor in our ability to communicate and is quickly becoming relevant to the way people interact. Proponents of this view presume a future in which all time and space restrictions have been removed from the communication process and where “face-to-face communication can be done across oceans if video conferencing facilities are available” (Burgelman, 2000).Although global virtual project teams play an increasingly important role in multinational organizations, little is known about their effect on organizational efficiency. It is against this background that this study explores the effect of global virtual project team on organizational efficiency with a focus on the Escravos gas-to-liquid project

Statement of the Problem

Recent advances in networking environments and telecommunications have led to the proliferation of global virtual teams that do not work face-to-face but interact over a computer-mediated communications network. Many organizations are adopting the Global virtual team structures to reduce travel costs and shorten project life cycle while enhancing innovation, capturing knowledge and sharing best practices in an effort to become more flexible and to improve business performance(Lipnack & Stamps, 2000). Besides effects on business travelling, global virtual teams are expected to lead to economic savings, organizational efficiency and more satisfied employees (Arnfalk, Grönvall, Pilerot & Schillander, 2010). However, these effects lack substantial support in well-documented empirical data. Thus, in the case of global virtual project team collaboration, there are still important disagreements about their effects on organization’s performance (CiscoSystems, 2008a; Lee, Shanahan, 2010). Considering the growing importance of Internet and web collaboration tools, managing, measuring and monitoring the effects of global virtual team will be increasingly decisive for an organization’s ability to achieve its goals.

Objective of the Study

The broad objective of the study is to determine the effect of global virtual team on organization’s performance. Specifically the study seeks to:

Determine the relationship between global virtual team and the efficiency of Chevron Escravos gas to liquid project (EGTL).

Research Question

What is the relationship between global virtual team and the efficiency of Chevron EGTL project?

Hypothesis

H_o: There is no significant relationship between global virtual team and efficiency of Chevron EGTL project
H_i: There is a significant relationship between global virtual team and efficiency of chevron EGTL project.

Review of Related Literature
Concept Clarification
The concept of a "team" is described as a small number of people with complementary skills who are equally committed to a common purpose, goals, and working approach for which they hold themselves mutually accountable (Zenun, Loureiri & Araujo 2007) .Global virtual project teams (GVPTs) are project teams whose members are geographically dispersed (Zakaria, Meclinckx & Wilemon, 2004) in two or more nations (Connaughton & Shuffler 2007). Thus, they have to cooperate with each other across national boundaries (Hinds, Liu & Lyon, 2011). The term 'virtual' refers to the electronic communication of team members. Global virtual teams are often formed to overcome geographical or temporal separations (Cascio and Shurygailo, 2003), as they work across boundaries of time and space by utilizing modern computer driven technologies (e-mail, video-conferencing, telephone and telepresence.) (Hertel, Geister & Konradt, 2005).
According to Bal and Teo (2001), a team will become virtual if it meets four main common criteria and other characteristics that are summarized below:

Characteristics of Virtual Teams

Features	Description
Common criteria	**Geographically dispersed (over different time zones)** (Dafoulas and Macaulay, 2002, Shin, 2005, Wong & Burton, 2000, Peters and Manz, 2007, Lee-Kelley and Sankey, 2008) **Driven by common purpose, guided by a common purpose**(Bal and Teo, 2001a, Shin, 2005, Hertel*et al.*, 2005, Gassmann and Von Zedtwitz, 2003b, Rezgui, 2007) **Enabled by communication technologies** (Bal and Teo, 2001a, Peters and Manz, 2007,Lee-Kelley and Sankey, 2008) **Involved in cross-boundary collaboration** (Bal&Teo, 2001a, Gassmann and Von Zedtwitz, 2003b,Rezgui, 2007)
Other characteristics	**It is not a permanent team** (Bal&Teo, 2001a, Wong and Burton,2000, Cascio and Shurygailo, 2003, Leenders, Engelen&Krotzer, 2003) **Small team size** (Bal and Teo, 2001a) **Team members are knowledge workers** (Bal and Teo, 2001a, Kirkman*et al.*, 2004) **Team members may belong to different companies** (Dafoulas and Macaulay, 2002, Leenders*et al.*, 2003)

Source: Bal & Teo (2001).Implementing virtual team working. Logistics information Management, 13

Virtual Teams: Origins And Trends
While work teams were used in the U.S. as early as the 1960s, the widespread use of teams and quality circles began in the Total Quality Management movement of the 1980s. In the late 1980s and early 1990s, many companies implemented self-managing or empowered work teams. To cut bureaucracy, reduce

cycle time, and improve service, line -level employees took on decision-making and problem-solving responsibilities traditionally reserved for management. By the mid-1990s, increasing numbers of companies such as Goodyear, Motorola, Texas Instruments, and General Electric had begun exporting the team concept to their foreign affiliates in Asia, Europe, and Latin America to integrate global human resource practices (Kirkman, Rosen, Tesluk & Gibson, 2001). Now, due to communication technology improvements and continued globalization, global virtual teams have increased rapidly worldwide in organizations ((Walvoord, Ridden, Elliot & Covert, 2008, Cascio, 2000). We have moved away from working with people who are in our visual proximity to working with people around the globe (Johnson, Heimann & O'Neil, 2001).

Virtual Communications Technology

Virtual communications technology (VCT) refers to any means of interacting with other in virtual reality (Fenell, 2003). It is a modern technological phenomenon through which the transmission of information and or action is achieved to remote or distant locations, where the content, intentions or actors may either be non-existent or created in another form using the advancement of information technology .VCT is breaking down barriers that have separated people for centuries. With the aid of VCT, virtual project team collaborates without the need for physically coming together. The same prerequisites for any physical meeting or collaboration holds true but in virtual collaboration, some or all participants in such meetings may not meet physically.

The virtual communication technologies used in virtual project team collaboration are audio conference (AC), videoconference (VC) and Computer Mediated **C**ommunication(CMC).

Characteristics of Audio Conferencing, Video Conferencing and Computer Mediated Communication

Modes	**Defining Characteristics**	**Examples**
Video conferencing (VC)	Useful real-time images and voices of other participants; may include other shared images/text.	Group videoconferences in dedicated rooms; desktop videoconferencing
Audio conferencing AC)	Voice communication, but no useful real-time video images of other participants; may include other shared images, data and text	Phone calls, conference calls or conference calls where people are also sharing views of images or documents
Computer Mediated Communications (CMC)	Text, images and other data received via computer, without effective real-time voice or video images of	E-mails, chat rooms, discussion boards, text messaging, instant messaging, shared databases, application-specific groupware

	other participants.	

Source: Davis & Wainfan (2004).Challenges in virtual collaboration: videoconferencing, audio conferencing, and computer mediated communications. Santa Monica: RAND Corporation

Theoretical Framework

This study is based on the Adaptive Structuration Theory (AST) by DeSanctis and Poole (1994). The AST is a high-level theory that explains the relationship between technology use and social interaction in creating group outcomes in organizational contexts. The heart of AST is the role of advanced information technology and its appropriation by members of the organization as they work together. The theory describes how a technology's inherent structural characteristics shape interaction patterns without determining the interaction in a definitive way. A broad met pattern of social structure emerges in the group, influenced by use of the new technology. Therefore the role of global virtual project team on the efficiency of Escravos gas to liquid project cannot be overemphasized, as it helps to reduce cost and increase output in the operations of the organization.

Empirical Review Of Global Virtual Project Teams And Organization Efficiency

Many organizations claim that increased use of global virtual project team s and virtual communication technology in general has contributed to organization efficiency and decrease in business travelling. Some examples include:

i. Procter & Gamble, a multinational consumer goods company, who have increased sales efficiency and decreased business travelling due to the introduction of virtual team collaborative tools. (Cooke, 2010).
ii. Capgemini, a major European consultancy firm in ICT, who mentions investments in video conferencing and collaboration-enabling software as an example of a way to reduce travels in their "10 steps to green IT" (Doherty, 2008),
iii. Cisco, a major supplier of virtual meeting solutions, who claim that the use of global virtual team meetings will inevitably lead to reduced travelling and increase productive efficiency (Cisco Systems, 2008b),
iv. TeliaSonera, a telecommunications giant whose annual report on corporate responsibility include accounts of how virtual meetings help decrease the company's environmental footprint by reduced travelling (TeliaSonera AB, 2010),
v. The association of municipalities in Västernorrland, in northern Sweden, who refer to increase efficiency and reduce travelling in a pre-study on virtual team meetings from 2012 (Risberg, 2012).
vi. An insurance company reported that the number of business related air travels has gone from 25.000 in 2007 to an estimated 16.500 in 2012, with a stable amount of employees over the period. Although this decrease might partly be explained by the general economic downturn, a large chunk of it is related to the introduction of a new travel- and meeting policy and investments in increased capacity for virtual team meetings (Stenvad, 2012).

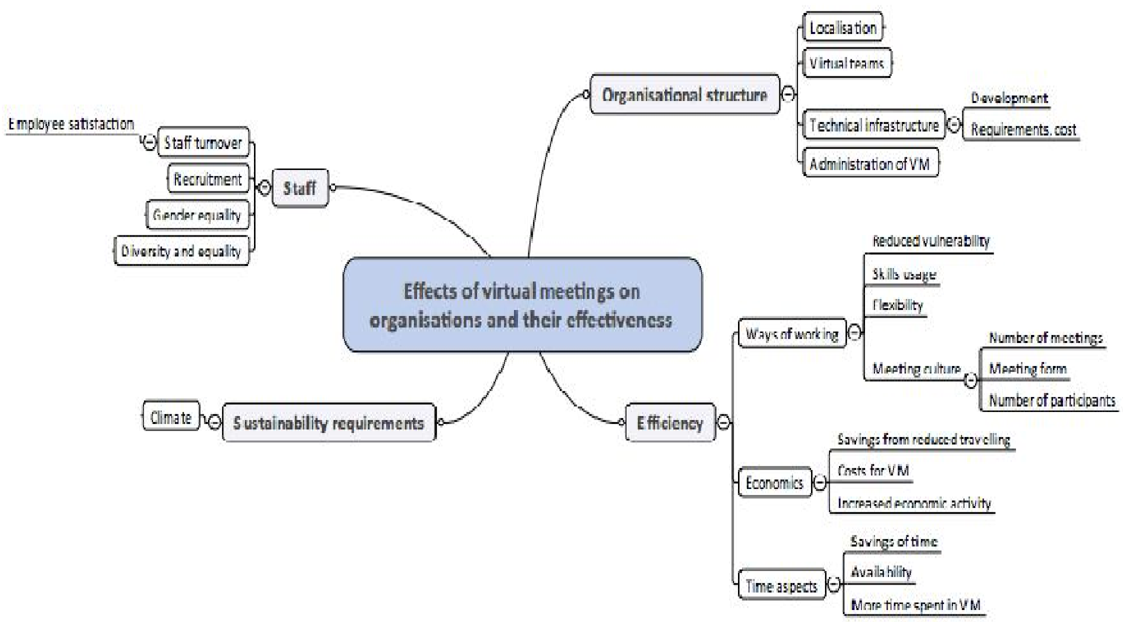
However, in a study by Bodiya (2010) on virtual team productivity, working virtually can lead to losses in organization productivity and reduced efficiency as they tend to be some degree of task interdependent and task structure in virtual teams that influences productive efficiency. The analysis of existing literature and research shows that there are important disagreements about the effects of virtual project team collaboration on organization efficiency. About 90% of the researches on organizational effect of global virtual teams are in United States, Asia and Europe (House 1998), thereby creating a gap in knowledge.

Therefore, this study seeks to bridge that gap in knowledge by studying the effect of GVPTs on the efficiency of Chevron Escravos gas to liquid project (EGTL) in Nigeria.

A Model Of Organizational Effect Of Virtual Project Team Meetings

A conceptual framework has been developed by the Lund University for mapping and measuring the effects of global virtual team on society, organization and individual. This framework, called *Potential Effects of Virtual team Meetings*, or TERM, is based on the assumption that increased use of virtual team meetings will impact on high level efficiency and strategic goals of an organization (Arnfalk, & Kogg 2003). From an organizational perspective the assumed effects described in the TERM model are divided into four groups: *organizational structure*, *efficiency*, *staff* and the *environment*. All these groups of effects in turn influence the organization's possibilities of achieving its goals. The study focuses on one of the components: organizational efficiency.

Model of Organizational effect of virtual project team meetings



Source: (Arnfalk & Kogg, 2003). The TERM model of organizational effects of virtual meetings, Lund University.

From an efficiency perspective, virtual project team collaborations are assumed to affect areas like working methods, time aspects, and economics. More specifically, virtual project team meetings will have effects on:

• Travel costs,
• Costs for virtual team meetings,
• Economic activity, effects on turnover and total output.

Reduction of Travel Cost: In terms of global virtual team and their effects on an organization's use of resources, e.g. time and money, literature reports on saving effect of virtual team for organizations. For example, in a simple return on investment (ROI) calculation for an online meeting in comparison to a physical meeting between four people in Washington D.C. and New York City, the calculated savings are almost 430 US dollars (Webconferencing-test.com, 2012). Another report showed that the EGTL team saved an estimated 16 000 work hours, thereby adding 6.5 million dollar to profit, from substituting travelling with video conferencing in 2011 (TDC Sverige, 2012). The costs and benefits taken into consideration in the two examples above include travel expenses, travel time, costs for connection (such as investments or operations costs, or rent for meeting room or conference call), and avoided travel costs from expenses and wages (Webconferencing-test.com, 2012; TDC Sverige, 2012).

Previous Team Activities
The EGTL plant located in the western Niger Delta and Escravos areas of Nigeria is a multi-billion USD33, 000-barrel-per-day gas-to-liquids project designed to process 325 million cubic feet per day of natural gas. The project was founded with a consistent drive for IIF safety and the associated culture change which has enabled it to achieve a truly world class safety record (Pence, 2011).

Methodology
Research Design
Exploratory research design was adopted to determine the relationship between Global virtual teams and efficiency of Escravos gas to liquid project.

Method Of Data Collection

Secondary sources of data on the Escravos gas project were obtained from Nigerian National Petroleum Corporation (NNPC) statistical bulletin and chevron Escravos gas to liquid project supplementary annual report.

Data Requirement
For the purpose of this study, the required data are as follows:
Total cost of the Chevron Escravos gas project for phases 1, 2 and 3 (1997-2012)
Gas to liquid outputs from Chevron Escravos gas project for phases 1, 2 and 3 (1997-2012)

Method Of Data Analysis
The Pearson Product-Moment Correlation Coefficient was employed in analyzing the statisticall data. The Pearson Product-Moment Correlation is a measure of the strength and direction of association that exists between two continuous variables measured on at least an interval scale. Correlation, which is closely related to but conceptually very much different from regression analysis, is aimed at measuring the strength or degree of linear association between the dependent and independent variables (Gujarati, 2003). Such relationship exists in three forms; a strong positive relationship, a weak positive relationship and no relationship. The Pearson's *r* ranges from -1.0 to 1.0, where a negative coefficient indicates inverse relations between the variables.

The formula is given as:

$$r = \frac{\sum XY - \frac{\sum X \sum Y}{n}}{\sqrt{\left[\sum X^2 - \frac{\left(\sum X\right)^2}{n}\right]\left[\sum Y^2 - \frac{\left(\sum Y\right)^2}{n}\right]}}$$

A value of r is interpreted as follows:

A coefficient of 0 indicates that the variables are not related.
A negative coefficient indicates that as one variable increases, the other decreases.
A positive coefficient indicates that as one variable increases the other also increases.

Identification Of Variables
X = This is the total cost of the project from 1997 to 2012
Y = This is the total GTL output from the project from 1997 to 2012
N = This is the total number of years being considered

The EGTL project team performance is measured here empirically in terms of efficient production over a period of 16years. Efficiency is therefore measured empirically as the ratio of the input (X) to the output (Y)

Data Presentation and Analysis
This section provides the data presentation, analysis and test of the relevant hypothesis of the study. The analyses were conducted in order of priority.

Yearly cost of the EGTL project and production output

NO. OF YEARS	($)COST OF PROJECT (000,000)	GTL PRODUCTION (MSCF)
1997	260,000,000	257,066,978
1998	310,000,000	334,014,752
1999	18,000,000	361,745,374
2000	15,000,000	375,045,073
2001	16,000,000	478,325,775
2002	14,000,000	492,130,075
2003	29,000,000	514,593,530
2004	57,000,000	534,961,810
2005	625,000,000	569,906,797
2006	761,000,000	599,966,235
2007	247,000,000	654,075,773
2008	1,800,000,000	714,940,901
2009	785,000,000	560,947,948
2010	430,000,000	601,498,813
2011	820,000,000	755,442,139
2012	432,000,000	692,735,379

Source: NNPC Statistical bulletin (various editions) & Chevron Nigeria Limited Annual report.

Correlation Analysis
A summary and interpretation of the Pearson Correlation Coefficients result came first which was closely followed by the test of hypothesis.

Table 4.2.1: ***Summary of correlation coefficient output for GVPT and EGTL***

	GVPT	EGTL
GVPT Pearson Correlation (r) Sig. (2-tailed) (p)	1.000 -	.985* .002

N	16	16
EGTL Pearson Correlation (r) Sig. (2-tailed) (p) 	.985* .002 16	1.000 - 16

**. Correlation is significant at the 0.01 level (2-tailed)
*. Correlation is significant at the 0.05 level (2-tailed)

The results from the analysis of this study are presented in a matrix as can be found in table 4.2.1 above. Nevertheless, the table above presents the Pearson Correlation Coefficient, the significance value and the sample size that the calculation is based on. The *r*-value indicates the strength and direction (±) of the correlation. The "*" means we can reject the null hypothesis (Ho). The p-value is the probability that we can see an *r* -value of this size just by chance.

Test of Hypothesis

The hypothesis to be tested is restated below:

H_o: There is no significant relationship between global virtual project team and efficiency of chevron EGTL project

H_i: There is a significant relationship between global virtual project team and efficiency of chevron EGTL project.

The basis for the acceptance or rejection of the hypothesis is based on the following assumptions;

H_o: r = *0 [There is NO correlation]*
H_i: r ≠ *0 [There is a correlation]*

Summary of Pearson Product-Moment Correlation Coefficient showing the relationship between Global Virtual Project Team and Efficiency of Chevron EGTL Project

Variables	Mean Score	SD	VIF	TOL	t-cal	t-tab	df
Global Virtual Project Team (N=16)	8.62	4.41	1.00	1.00	0.985	0.19	15
Efficiency of Chevron EGTL Project	13.08	6.52					

Source: Correlation Output ***(t(16)=0.985, p<.05)***

Discussion Of Findings

From the Pearson correlation coefficient in table 4.2.1, *r* is 0.985, and is statistically significant at ($p < 0.0005$). Arising from the above, it implies that there is a strong, positive correlation between GVPT and EGTL, which was statistically significant ($r = .985$, $n = 16$, $p < .0005$). This means that there is a strong relationship between the two variables. In other words, changes in one variable are strongly correlated with changes in the second variable. This number is very close to 1. For this reason, we can conclude that there is a strong positive relationship between GVPT and EGTL variables. This means that as one variable increases in value, the second variable also increase in value. Similarly, as one variable decreases in value, the second variable also decreases in value.

The result as summarized in table 4.3.1 above showed that the calculated Pearson Product Correlation value of 0.985 is greater than the table value of 0.19. Therefore, the tested null hypothesis is rejected and the alternative hypothesis which states that there is a significant correlation between global virtual team and efficiency of chevron EGTL project is accepted. This implies that there is a strong positive relationship between global virtual team and efficiency of Chevron EGTL project, as further revealed in the Variance Inflator Factor (VIF) and Tolerance Level (TL) with values 1.00 and 1.00 respectively. This is in line with the study by Risberg (2012) in Northern Sweden on virtual team that reported positive relationship between virtual team and organizational efficiency

Summary Of Findings, Conclusion And Recommendations

This study explores the relationship between global virtual project team and the efficiency of chevron EGTL project. The findings from the test of hypothesis revealed that there is a significant correlation between global virtual project team and efficiency of chevron EGTL project. This implies that the use of global virtual project team (GVPTs) in an organization enhances the productive efficiency of the organization.

The following recommendations are therefore made:

1. The use of GVPTs should be encouraged in large organizations with specific projects
2. Organizations should carefully choose the virtual communication technologies that are most appropriate for specific project.
3. To enhance the activities of GVPTs, tools such as electronic bulletin boards should be adopted in organizations.

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Exchange Rate Volatility and Macroeconomic Performance in Nigeria (1986 – 2010).

Adigwe Patrick K.

Abstract

This study examines the effect of exchange rate volatility on macroeconomic performance of Nigeria from 1970 to 2010. The model formulated depicts GDP growth rate as the dependent variable while Exchange Rate proxies as independent variable. The study makes use of time series data to cover the period under review. It employs the Ordinary Least Square (OLS) simple Regression method to estimate the parameters and test the hypothesis. The ANOVA test reveals that a relationship exist between exchange rate variability and GDP growth rate. The correlation coefficient confirms that exchange rate changes have negative effect on the GDP growth rate which is statistically insignificant. Based on the findings, this study recommends among other things, that Government and Policy makers should continue to employ policies that could increase productivity in all sectors of the economy to enhance the exchange value of the naira.

Key words: Exchange Rate Volatility and Macroeconomic Performance

Background of the Study

Exchange rate volatility has been singled out as one of the endogenous factors that do affect the economic performance of a nation. The dismal economic performance in Latin America, Asia, and African can be linked to real exchange rate behaviour. Little wonder why exchange rate management has been a topical issue among academics and policy makers for a very long time. This started predominantly when gold standard collapsed in the 1930's and subsequent emergence of the Bretton Woods system of adjustment peg from the 1940's, through the espousal of flexible exchange rate given by the developing nation in 1970 and those carrying out structure reforms in the 1980's, as well as in the wake of currency crises in developing economies in the 1990's.

Exchange rate is the price of one country's currency in relation to another country. It is the required amount of units of a currency that can buy another amount of units of another currency. In Nigeria, the management of the exchange rate is carried out by the Central Bank of Nigeria. Following the adoption of the Structural Adjustment Programme (SAP) in 1986, the country moved from a peg regime to a flexible exchange rate regime. In practice no exchange rate is clean or pure float, that is, a situation when it is left completely to be determined by market forces but rather the prevailing system is the managed float whereby monetary authorities intervene periodically in the foreign exchange market in order to attain some strategic objectives (Mordi, 2006).

Statement of the Problem

The role of exchange rate in the economic performance of both developed and developing economies such as Nigeria constitutes one of the greatest macroeconomic policy debates. There is increasing argument among economists and policy makers that while stability in exchange rate promotes growth and improves standard of living, misaligned exchange rate hinder export growth and generates macroeconomic instability. Volatility of exchange rate induces uncertainty and risk in investment decision with destabilizing impact on the macroeconomic performance. Obadan (2006) posits that fluctuations in real exchange rate have a destabilizing effect on the macroeconomic variables.

However, Klau, (1998); Eichengreen & Leblang, (2003) and Obadan, (2006) investigated on the effect of exchange rate volatility on economic growth but the degree of its effect on the economic growth of Nigeria has not been ascertained in absolute terms.

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Objectives of the Study

This research mainly seeks to examine the effect of volatility of exchange rate on macroeconomic performance of Nigeria, by determining the effect of exchange rate vis-a-vis the US dollars, on Gross Domestic Product Growth Rate (GDPGR) and the extent of this effect.

Research Questions

i. What is the relationship between exchange rate volatility and Gross domestic products?
ii. What is the extent of the effect of exchange rate volatility on Nigeria economic development?

Hypothesis of the Study

There is no relationship between exchange rate volatility and macroeconomic performance of Nigeria

Theoretical Framework

The earliest and leading theoretical foundation for the choice of exchange rate regimes rests on the Optimal Currency Area (OCA) theory developed by Mekinnon (1963). This theory focuses on trade and stabilization of the business cycle. It is based on concepts of the symmetry of shocks, the degree of openness and labour market mobility. However, since the links between nominal exchange rate regime and macroeconomic performance both counterbalance and reinforce each other the OCA theory is unable to present an unambiguous proposal for the optimal exchange rate regime.

Empirical Review

Empirical evidence on the effect of exchange rate volatility on economic performance has produced mixed pattern of results, providing positive and negative effects. Odusola and Akinola (2001) employing a structural VAR model on the study on output, inflation and exchange in the Nigeria, found that devaluation reduced output and increased inflation. Nguyen and Kalirayan (2006), using monthly data from 1991 to 1999 and Vector Auto Regression Model (VAR) approach investigated the impact of nominal exchange rate on inflation in Vietnam and found that the impact of nominal devaluation on inflation is positive.

Klau (1998) investigated the impact of real exchange rate on inflation and output for twenty-two sub-Saharan countries and found that real devaluation increase both output and inflation. Barkoulas et al (2002) examined the impact of exchange rate fluctuation on the volume and variability of trade flows. They concluded that exchange rate volatility discourages expansion of the volume of trade thereby reducing its benefits.

Eichengreen and Leblang (2003) carried out their research in twelve countries over a period of 120 years and found strong inverse relationship between exchange rate instability and growth. They concluded that the results of such estimation strongly depend on the time period and sample. Jin (2008) carried out a comparative study and found that appreciation of exchange rate increases GDP in Russia, while it reduces GDP in Japan and China. David, Umeh and Ameh (2010) examined the effect of exchange rate fluctuations on Nigeria manufacturing industry. They employed multiple regression econometric tools which revealed a negative relationship between exchange rate volatility and manufacturing sector performance. Aliyu (2001) found that appreciation of exchange rate exert positive impact on real economic growth in Nigeria, but the degree of its effect was not ascertained.

Methodology

Data and Data Source

The study mainly made use of secondary data, essentially on account of the nature of the study which happens to be less behavioural. The data were sourced from CBN documents such as statistical bulletin. They are time-series date covering 1970 to 2010 (41years).

Description of Variables

Dependent and independent variables are identified in the study. Macroeconomic performance which is the dependent variable is measured by growth rate of Gross Domestic Product, while the independent variable is exchange rate volatility, and is measured by exchange rates.

Model Specification

The relationship of the variables is structurally established as follows.

GDPGR = f(EXR) ……………………………………………………...(1)

Where GDPGR = Gross Domestic Product Growth Rate

EXR = Exchange rate

f = Functional relationship.

However, the true regression between exchange rate and Gross Domestic Product is as follows:

$Y = \alpha + \beta X + U$……………………………………………………….(2)

Where Y = The dependent variable – Gross Domestic Product Growth Rate.

X = The explanatory variable – exchange rate

α = The intercept

β = The coefficient of the explanatory variable

U = The stochastic variable or error term

Analytical Technique

The Ordinary Least Square (OLS) estimation is used for the determination of the parameters of the regression line. The simple regression is tested with the ANOVA method to examine the relationship between exchange rate and GDPGR, while the coefficient of determination is employed to ascertain the nature and degree of the relationship.

Analyses of Data

***TABLE 1*: Analysis of GDPGR (Y) and Exchange Rate (X) Relationship**

Y	X	Y $Y - \bar{Y}$	x $X - \bar{X}$	y_2 $(Y - \bar{Y})^2$	x^2 $(X - \bar{X})^2$	Xy
36.3	0.71	12.4	-40.52	153.76	1641.87	-502.45
26.3	0.70	2.4	-40.53	5.76	1642.68	-97.27
9.7	0.66	-14.2	-40.57	201.64	1645.92	576.09
52.5	0.66	28.6	-40.57	817.96	1645.92	-1160.30
66.5	0.63	42.6	-40.6	1814.76	1648.36	-1729.56
17.8	0.62	-6.1	-40.6	37.21	1649.17	-247.72
26.6	0.63	2.7	-40.58	7.29	1648.36	-109.62
20.0	0.65	-3.9	-40.58	15.21	1646.74	158.26
10.2	0.61	-13.7	-40.62	187.69	1649.98	556.49
19.6	0.60	-4.3	-40.63	18.49	1650.80	174.71
17.8	0.65	-6.1	-40.58	37.21	1646.74	247.54
102.0	0.61	78.1	-40.62	6099.61	1649.98	-3172.42
7.2	0.67	-16.7	-40.56	278.89	1645.11	677.35
8.3	0.72	-15.6	-40.51	243.36	1641.06	631.96
5.0	0.76	-18.9	-40.47	357.21	1637.82	764.88
15.7	0.89	-8.2	-40.34	67.24	1627.31	330.79

-0.76	2.02	-24.66	-39.21	608.12	1537.42	966.92
41.4	4.02	17.5	-37.21	306.25	1384.58	-651.175
35.5	4.54	11.6	-36.69	134.56	1346.16	-425.60
46.7	7.39	22.8	-33.84	519.84	1145.15	-771.55
23.2	8.04	-0.7	-33.19	0.49	1101.58	23.23
15.5	9.91	-8.4	-31.32	70.56	980.94	263.09
58.4	17.30	34.5	-23.93	1190.25	572.64	-825.59
24.5	22.06	0.6	-19.17	0.36	364.49	-11.50
28.7	21.89	4.8	-19.34	23.04	374.04	-92.8328
105.3	21.89	81.4	-19.34	6625.96	374.04	-1574.28
38.2	21.89	14.3	-19.34	204.49	374.04	-276.56
4.0	21.89	-19.9	-19.34	396.01	374.04	384.87
-4.6	21.89	-28.5	-19.34	812.25	374.04	551.19
17.0	92.69	-6.9	51.46	47.61	2648.13	-355.07
42.7	102.11	18.8	60.88	353.44	3706.37	1144.54
3.0	111.94	-20.9	70.74	436.81	4999.90	-1477.84
13.2	120.97	-10.7	79.71	114.49	6358.47	-853.22
27.0	129.36	3.1	88.13	9.61	7766.90	273.20
15.2	133.50	-8.7	92.27	75.69	7766.90	-802.75
-68.8	132.15	-92.7	90.92	8593.29	8266.45	-8428.28
27.3	128.65	3.4	87.42	11.56	7642.26	297.23
12.9	125.83	-11.0	84.6	121.00	7157.16	-930.6
11.6	118.57	-12.3	77.34	151.29	5981.47	-930.6
7.2	148.90	-16.7	107.67	151.29	11592.83	-951.28
14.4	150.30	-9.5	109.07	90.25	11896.26	-1036.17
∑Y =980.24	**∑X= 1690.47**	**∑y= -19.66**	**∑x= 0.04**	**$\sum y^2$ =31519.4**	**$\sum x^2$= 123153.93**	**∑xy= -19763.95**

Source: Researchers' computation.

In the above table:

Y = Gross Domestic Product growth Rate

X = Exchange rate

$\bar{Y} = \frac{\sum Y}{n} = \frac{980.24}{41} = 23.9$

$\bar{X} = \frac{\sum X}{n} = \frac{1690.47}{41} = 41.23$

$y = Y - \bar{Y}$

$x = X - \bar{X}$

$\sum y = 19.66$, $\sum X = 0.04$

$\sum y^2 = 31519.4$, $\sum x^2 = 123153.93$, $\sum xy = 19763.95$

A Priori Test: Estimation of the regression parameters

$\hat{\beta} = \frac{\sum xy}{\sum x^2} = \frac{-1976.95}{123153.93} = -0.16$

$\hat{\alpha} = \hat{Y} - \beta\bar{X}$

$= \quad 23.9 - (-0.16)\,(41.23)$

$= \quad 23.9 + 6.60 = 30.\,50$

The regression equation now becomes

$$\hat{Y} \quad = \quad 30.\,50 - 0.16X + U$$

Where $\hat{Y}$ is the estimated GDPGR

ANOVA TEST00

Total Sum of Square (TSS) = $\sum y^2 = 31519.4$

Regression Sum of Square (RSS) = $\beta \sum xy \quad = \quad 3162.23$

Error Sum of Square (ESS) = TSS – RSS = 283357.17

Regression Mean Square (RMS) = $\frac{RSS}{r-1} \quad = \quad 3162.23$

Error Mean Square (EMS) = $\frac{ESS}{n-r} = 727.11$

Fcal $= \frac{RMS}{EMS} = 4.35$

Degree of Freedom: Regression $= r - 1 = 1$

: Error $= n - r = 39$

: Total $= n - 1 = 40$

TABLE 2: **ANOVA Table for Simple Regression**

SOURCES	**DEGREE OF FREEDOM**	**SUM OF SQUARE**	**MEAN SQUARE**
Regression	2 -1 = 1	3162.23	3162.23
Error	41-2=39	28357.17	727.11
Total	41-1 = 40	31519.4	

Source: Researchers' Computation

At 5% level of significance, the F- calculated is greater than the f-table. We do not accept the hypothesis; hence conclude that there is a relationship between exchange rate volatility and macroeconomic performance.

4.3.3 Test of goodness of fit R^2 (coefficient of determination)

$$R^2 = \frac{RSS}{TSS} = \frac{3162.23}{31519.4} = 0.100 = 10\%$$

Also correlation coefficient R:

$$R = \sqrt{0.100} = 0.3162 = 0.32 \text{ (Approximated)}$$

Findings, Conclusion and Recommendation

Findings: The result of the A priori test reveals that there is a negative relationship between exchange rate changes and GDP growth rate which is statistically insignificant. The implication is that a unit increase in exchange rate decreases GDP by 0.16 units. This however, opposes the works of Nguyen and Kalirajin (2006) and Klau (1998), that devaluation has positive impact on macroeconomic performance of Nigeria. The result also is in consonance with Odusola and Akinola, (2001); Bankoulas, Barum and Caylayaum, (2002); and David, Umeh and Ameh, (2010), that devaluation reduced output in Nigeria.

More so, the coefficient of determination (R^2) of 10% shows that 10% changes in Gross Domestic Product is accounted for by changes in exchange rate, while 90% change in GDP is explained by other factors. Similarly, the correlation coefficient of .0.32 suggests a very weak correlation between GDPGR and exchange rates.

Conclusion

The study deduces that exchange rate volatility has a relationship with macroeconomic performance of Nigeria. But however, the effect of exchange rate volatility on GDPGR is negative which is statistically insignificant. This indicates that low or negative GDPGR cannot be blamed only on high exchange rate in Nigeria.

Recommendations

- Government and policy makers should continue to employ policies that would ensure stability of exchange rate in Nigeria.

- Efforts should be put in place to ensure the existence of consistent monetary and fiscal policies that would engender economic growth, as exchange rate control has little effects on economic performance.
- Also, government consumption should encourage and promote investment which will increase domestic demand, and in turn engender favourable terms of trade.

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Public Procurement in Nigeria: Ethics and Integrity in Focus

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Abstract

Value for money is the core principle underpinning public procurement. Therefore, incorporating the highest ethical standards and integrity in the use of public resources will help ensure the best achievable procurement outcome.To ensure good public procurement system that would deliver quality services to the people ethics and integrity in the procurement process must be our watch-word. It is therefore without doubt that for governments to deliver maximum social benefit to the people there must be efficiency in public procurement system and probity, accountability and transparency have been identified as the major pillars for achieving this purpose.

Keywords; Public procurement, ethics, integrity, accountability, transparency.

Introduction

The ultimate objective of public procurement is to provide public goods and services for the maximization of social welfare, such as good roads, portable water, electricity, and healthcare; to improve the standard of living of the people. Paradoxically, while public procurement has accounted for a rising proportion of Gross Domestic Product (GDP) in Nigeria, standard of living of the people has not been adequately improved because of late completion of contracts and costs overruns. Worried about this scenario, Igbamero (2011) Kari, Mona and Jan (2010), Akuyili (2008), and OECD (2007), revealed that corruption of public officers is the root cause of the problem. Igbamero (2011) stated that corruption may occur in any step of the procurement procedure (Pre-bidding, bidding and post-bidding), and it can arise through violations of ordinary procurement rules or through misuse of legal authorization of discretionary decisions from the rules.

In view of the devastating effect of corruption public service delivery, governments, public analysts and researchers have taken the bull by the horn searching for means of it elimination. A review of extant literature indicated that ethics and integrity are the key conditions for promoting good public procurement system(Kari et al, 2010). Ethics are important when considering value for money and value for money is the core principle underpinning public procurement. According to OECD (2007), ethical behaviour enhances the procuring entitiy's reputation in the market place and imparts a sense of trust which promotes positive alliances among business partners. Being ethical on the part of the consultants or contractors increases their chances of completing the assignment successfully and therefore the possibility of winning more tenders in the future. Therefore, the nurturing of an ethical environment and the development of ethical safeguards can be critical incentives for improving public procurement. Integrity is ideally a part of the framework for good public procurement system. Record keeping through the process is essential to allow inspection of the rationale behind all decisions, and a document archive is an important tool together with standardized templates and forms (Igbamero, 2011). By standardizing both archive and reporting integrity is enhanced, because access to information is made less complicated. This mechanism allows the openness of the process and therefore improves the procurement process.

In spite of the publicity that ethics and integrity have received as important pillars of any good public procurement, there seems to be inadequate literature that examines the link between ethics and integrity in public procurement in Nigeria and that is the reason for this study.

Literature Review

Ethics refers to acceptable standards of behaviour or moral principles that guide a profession, an organization or the society at large. According to Mullins (2002) ethics is concerned with the study of morality-practices and activities that are considered to be importantly right and wrong, together with the rules that govern those activities and the value to which those activities relate.

Previous empirical works such as Nwugboso (2007), Ilaboya and Uwubawwen (2005) Thai (2001); Baumkart (1993) and Goodpaster (1991) found that a positive link exists between ethics and procurement whether in the public or private sector. Nwagboso (2007), revealed that high ethical standards are especially important in the public sector because they are key to credibility and lead to increase support for government agencies and political leaders. Creating a culture of ethics in the public can best be accomplished with the adoption of a value-based code of ethics. Once established, the code must apply to everyone including elected and appointed officials. Ilaboya and Uwubamwen (2005),observed that ethical standards do not only contribute to sustaining high level of performance but also have a long-term effect in helping to shape societal well-being. Thai (2001) indicated that the application of the highest ethical standards helps to ensure the best achievable procurement outcome Baumhart (1993), reported that any procurement activity that is not ethically carried out is bound to be enclaved with corruption, which is a social disease that hinders economic growth and development. Goodpaster (1991), affirmed that ethics contributes to sound procurement processes that accord equal opportunities for all participants. The benefits of high ethical standards are not viewing institutions where ethical standards do not exist. In such institutions, there is insensitivity to the goals of the organization which can culminate in crisis of confidence.

Accountability is concerned with proper documentations of procurement activities. This is essential to allow proper inspection of the rationale behind all decisions because access to information by all stakeholders in the procurement process is made less complicated. OECD (2007) reported that accountability is ideally a part of the framework for achieving effective decisions in public procurement. This mechanism allows the openness of the process and brings defaulters to book. Okafor and Modebe (2005) indicated that accurate written records of the different stages of the procurement procedure are essential to maintain accountability, provide an audit trail of procurement decisions for controls, serve as the official records in cases of administrative or judicial challenge and provide an opportunity for citizens to monitor the use of public funds. Moody – Stuart (1997) in his study on “how business bribes damage developing countries”, reported that one sure way of rebuilding the collapsed public procurement system in developing countries is to provide an information system that can keep all parties of the procurement process accountable for their actions and help track further irregularities in the process. These various studies clearly show that accountability promotes good public procurement system.

Transparency is the ability of stakeholders to know and understand the actual means and processes by which contract are defined, awarded and managed. It promotes fair and equal treatment of bidders. According to OECD (2007), transparency has been recognized as a key condition for promoting integrity and preventing corruption in public procurement. However, it must be balanced with good governance imperatives, such as ensuring efficient management of public resources-administrative efficiency or providing guarantees for fair competition. Obioru (2004) affirmed that in order to ensure overall value for money in public procurement, the challenge for decision makers is to define an appropriate degree of transparency to reduce risks to integrity in public procurement while pursuing other aims of public procurement. A key challenge across countries of the world has been to define an adequate level of transparency to ensure fair and equal treatment of providers and integrity in public procurement. Akpakpan and Odukoya (2000) revealed that a key element to support fundamental principles of public procurement system, especially competition and integrity, is transparency in public procurement. Since transparency is an integral part of good governance in procurement, it is therefore necessary to build professionalism among procurement officials.

Conclusion and Recommendations

Public procurement is the process by which government parastatals, departments, ministries and agencies purchase goods and services from the private sector under specific rules and policies. It is a social science of planning, soliciting and acquisition of goods, works and consulting services for the public through government system and a public procurement practitioner employed by the government public service to work for and on behalf of the public, using public funds with public trust.

Public procurement is the main area where the public and the private sector co-operate financially. As a major interface between the public and private sectors, procurement provides multiple opportunities for both public and private actors to divert public fund for private gain, and it has been identified as the government activity most vulnerable to corruption. Corruption and inefficient procurement decrease the benefits public resources otherwise would have delivered to citizens, and also lower the level of trust and confidence in governments. Public procurement tends to involve relatively few but high-value transactions. Since procurement accounts for such as large part of public resources it is important that the procurement process occurs in lie with ethical behaviour and integrity to provide value for money. It requires: honesty and trustworthiness, truthfulness, fairness and transparency, consistency, confidentiality, confidence of professional advice and guidance and accountability. It also involves adherence to the established public procurement rules and regulations.

To ensure good public procurement system that would deliver quality services to the people ethics and integrity in the procurement process must be our watch-word. It is therefore without doubt that for governments to deliver maximum social benefit to the people, there must be efficiency in public procurement system and ethics and integrity have been identified as the major pillars for achieving this purpose.

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