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Factors Affecting Technology Acceptance in Banking - A Case Study of the Ghanaian Banking Industry

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Abstract

The introduction of new technologies has changed the way services are rendered by majority of organizations. Mensah, (2012) defines electronic banking as the provision of new and conventional banking products and services specifically to clients through electronic correspondence channels, usually using the internet. Parameswaran, (2012) defines electronic banking as the provision of financial services for the individual clients through the internet. (Parameswaran, 2012) further explains that electronic banking also involves the transfers of funds through an exchange of electronic signals between financial institutions rather than using cheques or other documentation.

The purpose of this study is to identify factors affecting the acceptance of technology in the Ghanaian Banking Industry.

The methodology used in this study is questionnaire, survey and information from Eco bank’s website.

The results of the studies showed that Eco bank is able to use its websites to advertise, provide information to their clients, sell products and reach new customers. Technological tools have also helped employees get task done more quickly and efficiently. This then translates into high profitability of Eco bank and hence high employee remuneration. Technology acceptance has made it simple to set up banking facilities in rural areas. Also through technology acceptance, the customers of Eco bank and the general public are able to access a branch for a variety of services through the convenience of home banking.

Electronic financial services either by Internet or via mobile phone or other means of remote transmission or through smart cards has rapid expansion and has changed the nature of financial services around the world strongly.

Keywords: modern business, information technology, economy, innovations, mobile banking and social influence.

Introduction

It is said that banking plays a silent, yet crucial part of our day-to-day lives (Goyal 2016). The banking sector acts as the backbone of modern business (Akrani, 2011). (Ackah, 2016) shows that the Banking industry in Ghana plays a significant role in the country’s economy. Through borrowing, lending and related activities, banks facilitate the process of production, distribution, exchange and consumption of money as well as goods and services. Banks also administer payment systems which are essential to the growth of an economy. Also, competition and limitation of resources has placed banks under pressure to lower their transactional cost and improve their services and maintain quality of service. (Boakye-Yiadom, 2016) shows that the influx of foreign banks, especially from Nigeria, has led to intense competition in Ghana’s banking industry, with respect to size of deposits and the size of market share of the various banks. There are currently seven Nigerian banks operating in Ghana representing about 26% of the total number of banks in the country.

Osakunor, (2016) recounts that the evolution of banking in Ghana began in 1953 when the bank of the Gold Coast was set up by the then Colonial Government. Eventually, the Bank was split into two, namely; the Bank of Ghana, operating as a bank of issue, to be developed into a complete central bank; and the Ghana Commercial Bank, to be developed into the largest commercial bank with a monopoly on the accounts of public corporation. The Bank of Ghana took over the management of the currency and in July 1958 it issued Ghana’s National Currency called ‘the Cedi’ which replaced the old West
African currency. The Ghana Commercial Bank assumed the role and functions of Government bankers and began to take over the finances of most Government departments and public corporations.

Goyal (2016) defines Banking as the business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to earn a profit. However, over a period of time, the activities of banks have widened and various other services are now also offered by banks. Modern banking services include issuance of debit and credit cards, providing safe custody of valuable items, lockers, ATM services and online transfer of funds across the country / world (Rahmani et al., 2016).

(Boakye-Yiadom, 2016) reports that in Ghana today, the competition in the banking industry has led to technological innovations with the introduction of automate teller machines (ATMs), electronic banking, telephone banking, SMS Banking etc. The technological innovations in the banking sector have largely improved banking services in Ghana. (Consumer.ftc.gov, 2016) defines electronic banking as electronic banking means 24-hour access to cash through an automated teller machine (ATM) or Direct Deposit of pay cheques into savings accounts. (Gcbbank.com.gh, 2016) also defines electronic banking as access to one’s financial information whenever one needs it, wherever one is. Electronic banking services allow one to access his or her accounts at their convenience through a variety of channels, including Automated Teller Machines, mobile banking, and internet banking. Mobile banking is one aspect of electronic banking. (Page, 2016) explains mobile banking the act of doing financial transactions on a mobile device (cell phone, tablet, etc.). This activity can be as simple as a bank sending fraud or usage activity to a client’s cell phone or as complex as a client paying bills or sending money abroad. Advantages to mobile banking include the ability to bank anywhere and at any time. Disadvantages include security concerns and a limited range of capabilities when compared to banking in person or on a computer. (Ackah, 2016) indicates that mobile banking is an electronic banking product widely offered by many banks across Ghana. Eco bank Ghana is one of the many banks in Ghana which provides electronic banking services. Eco bank recently launched a new product called the mobile banking application (Kai-Mensah, 2016). However, Kai-Mensah (2016) explains that Eco bank’s mobile banking app is quite different from the general mobile banking services offered by other banks because it enables customers to open a new digital account with just a few clicks on their phone or other electronic device and with no paper references unlike other banks which require customers to manually open an account in person by filling forms before accessing the said bank’s products. Also, the application among other unique features allows customers to deposit money into their bank accounts and withdraw money from their banks accounts without going to the bank in person.

Problem statement

According to (Yasuharu (2003); cited in Ackah, 2016) “implementation of information technology and communication networking has brought about a revolution in the functioning of the banks and the financial institutions. The transition to electronic banking has therefore become a necessity for banks as it offers major opportunities in terms of competitive advantage and it also allows banks to develop a stronger and more durable business relationship with its customers”.

In their quest to increase their customer base with regards to electronic banking and to decrease the number of people who visit the banking hall daily to perform various transactions, Eco bank Ghana focuses on investigating the factors which attract or deter consumers from patronizing electronic banking and for that matter Eco bank’s new mobile banking application. Therefore, the problem of this research study is to investigate the awareness and acceptance of the Eco bank mobile application by Eco bank’s customers and the general public at large.

Electronic banking in ghana

Mensah, (2012) defines electronic banking as the provision of new and conventional banking products and services specifically to clients through electronic correspondence channels, usually using the internet.

Parameswaran, (2012) defines electronic banking as the provision of financial services for the individual clients through the internet. (Parameswaran 2012) further explains that electronic banking
also involves the transfers of funds through an exchange of electronic signals between financial institutions rather than using cheques or other documentation.

Acevedo (2016) lays emphasis on the fact that electronic banking is very advantageous. E-banking offers ease of access, secure transactions and 24-hour banking options. From small start-up companies to more established entities, small businesses rely on e-banking to eliminate runs to the bank and to make financial decisions with updated information. In an information-driven business climate, companies who do not use e-banking are at a competitive disadvantage. Business owners, accounting staff and other approved employees can access routine banking activity such as deposits, cleared cheques and wired funds quickly through an online banking interface. This ease of review ensures the smooth processing of all banking transactions on a daily basis, rather than waiting for monthly statements. Errors or delays can be noted and resolved quicker, potentially before any business impact is felt.

In 19th century Ghana, office automation devices such as telephones, telex machines, fax machines, and money counting machines were used to make banking more efficient and to speed up the banking process in Ghana. For decades these were the main information and communication technologies used for bank transaction businesses (Ayisi, Odoom, Fynn, and Owusu Yeboah, 2009).

Later in the 1980s, as competition in the banking sector became intensified and desktop computers became common, Ghanaian banks began to use them in back-office operations and later tellers used them to service clients. Advancements in computer technology enabled banks to network their branches and operations thereby making the one-branch philosophy a reality. Barclays Bank Ghana Limited and Standard Chartered Bank Ghana Limited pioneered one-branch philosophy which gave banking in Ghana a modernized facelift (Abor, n.d.).

The most revolutionary electronic adoption in Ghana has been the ATM. In Ghana, banks with ATM offerings have them networked and this has improved their services and increased their customer base (Tetteh-Wayoe, Ofori-Appiah Danquah, & Asante-Gyabaah, 2015).

The Trust Bank, Ghana (now a member of the ECOBANK installed the first ATM Machine in Ghana in 1995. Not long after, most of the major banks began their ATM networks at strategic and competitive locations. The ATM has been the most successful delivery medium for consumer banking in Ghana. Customers consider it as important in their choice of banks, and banks that delayed the implementation of their ATM systems, have suffered irreparably (Abor, n.d.). Tetteh-Wayoe et al, (2015) indicate that ATMs have been able to entrench the one-branch philosophy in this country, by being networked, so people do not necessarily have to go to their branch to do some banking.

Asiamah, (2011) argues that though ATMs have been successful in recent years because of their great benefits, management of banks realised that it is possible for them to further improve their services and competitive advantage by making banking easier, more stress free and more convenient for their clients. With the introduction of information and communication technology in Ghana, some banks began offering personal computer banking services which provides customers with software which enabled them to have access to their bank accounts on their personal computer and sometimes on the internet. This was however often targeted at corporate clients and sometimes the elite in society (Mensah, 2012). Amoako (2012) deduced that banks have recognized the internet as an opportunity and a means to offer improved and convenient services to their clients, increase profitability and gain competitive advantage within the banking and finance sector in the country.

In the Ghanaian banking industry, investing in products that run on information technology have become an integral part of achieving organizational goals due to convenience and competition. Hence in recent years, information technology as well as electronic technology has been utilized immensely in the banking sector. The earliest forms of electronic and communications technologies used by the banks were mainly office automation devices. Telephones, telex and facsimile were employed to speed up and make more efficient, the process of servicing client (Ameneveve Dei, 2014).

Arguably, the most revolutionary electronic innovation in this country has been the ATM. Other technological innovations in banking sector include internet banking, telephone banking, Electronic funds transfer, among others (Jegede, 2013). In Ghana, banks with ATM machines have them networked and this has increased their utility to customers. This is because firms must respond to these changes if they wish to remain competitive. As customers experience busy schedules and the need to
manage their time well, short waits seem longer than ever before. If firms can improve customer’s perceptions of the time they spend waiting to be served, then customers will experience less frustration and may feel more satisfied with the service encountered (Ramey, 2015).

**Types of electronic banking**

Today, weekends and workdays and 24-hour service operations have become common, likewise the provision of internet banking services by banks. Brief (2014) indicates that customers often cite certain digital interactions as “wow” experiences that exceed their expectation. Winning in the digital realm, therefore, is critical for improving the overall customer experience.

Examples of electronic banking services include; automatic bill payment, Use of Automated Teller Machines, Secure Message Alerts, among others.

Grönroos, (2001) defines a service as any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything. Services encompass a very wide range of activities e.g. health care, education, tourism, insurance and finance.

Thomas & Thomas, (2013) indicates that technology plays a major role in service delivery, especially in today’s world. There are various scenarios in which technology plays different roles depending on the nature of the business and business requirements.

Thomas & Thomas, (2013) has given various scenarios of services as follows:

**Technology free service encounter**

In this form, there is no involvement of technology in the whole service delivery process. A good example is a manual, old school style ticket counter. Here the ticket is manually torn and given to the customer and money is collected without the involvement of technology at all.

**Technology assisted service encounter**

This is the second type with minimal involvement of technology in service delivery. In this case, an employee of the service provide does the delivery of the service with the help of some form of technology. The customer is however nowhere dependent on technology. A good example is modern movie ticket counter, where the employee checks the details on his computer and gives the customer a ticket.

**Technology facilitated service encounter**

In this scenario, the technology facilitates the business delivery Internet banking is a good example for this type of service encounter.

**Technology generated service encounter**

In this format there is no presence of the server! That means technology does it all for the customer. A good example of this is an ATM machine where the customer interacts with the machine and his service is delivered.

**Technology mediated service encounter**

In this scenario both the customer and service provider use technology for their business activity but there is no direct involvement between the customer and service provider. An example is financial transaction using mobile money.

Koooser (2016) explains that technology is involved in almost every aspect of a business; from accounting to customer communications to product design and development. The rapid forward movement in technology development over the last couple of decades has provided more powerful and less expensive options for companies. Business technology can help small business look bigger than they are and keep them ahead in a competitive marketplace. Koooser, (2016) explains further explains that the smart use of business technology helps small companies stay ahead of the competition by improving communications, making employees more efficient and tapping into effective marketing channels. Small business owners are often pressed for time and wearing many different hats. The use of business tools like accounting software, email, customer relationship management applications and smart phones can take some of the burden off entrepreneurs and help them make the most effective use
of their time. Up-and-coming generations of workers are accustomed to a world full of technology. Small businesses need to adapt and keep up with new technological advancements.

Applying technology to the provision of services has been considered as a new way to gain competitive advantage and enhance firm performance in a highly competitive market. In addition, technology is believed to encourage and facilitate service innovation (Lee, Ryu, & Ham, 2014).

Kooser, (2016) explains that Technology is influencing the practice of services marketing. It has resulted in tremendous potential for new service offerings. It is shaping the field of service enabling both customers and employees to get and provide customized services. The technology has been the basic force behind the service innovation. Automated voice mail, interactive voice response systems, fax machines, ATMs etc., are possible only because of new technology.

Also technology improves the provision of services in many considerable ways as follows;

**Internet**

The growth of the Internet has earmarked a positive change in small business technology. Businesses use websites to advertise, provide information to their clients, sell products and reach new customers.

**Specialized technology**

Business technology in the 21st century is not only limited to using desktop and laptop computers. Technology is also applied in the operation of with high-tech manufacturing robots, advanced microscopes and other specialized hardware and software. Many tasks that used to be done by hands are now automated and handled by specialized technology tools. For example, an independent machine shop may use computer-aided manufacturing equipment that combines specialized software with machines to create parts to specifications. Innovative small businesses are also working in high-tech industries like nanotechnology and biotechnology and are on the cutting edge of creating new technologies.

**Communication**

Cell phones have become small business necessities for owners and employees. These devices are lifelines for staying in touch while away and responding to customer inquiries in a timely manner. Smartphones offer an easy access to the Internet, email and business applications in a small hand held device. Email, text messaging and social networking is other advances in communication that keep small businesses connected to their customer bases and improve internal communication within the company.

**Marketing**

Technology has freed small businesses from the restrictions of prints advertisements when it comes to reaching new and existing customers. Internet marketing ranges from a simple informational website, to advertising on search engines, to online product sales. Email marketing is an effective and low cost method to reach a large group of people with a newsletter, coupons or business updates. Mobile marketing is a relatively new frontier that reaches people through text messaging, advertising on mobile applications and offering branded applications that tie customers into what is happening with the business in a fun and entertaining way.

**Productivity**

Small businesses need to wring every ounce of productivity out of their operations and technology tools help employees get tasks done more quickly. This may range from printing out marketing materials to providing customer service through email or online chat. The key is to keep employees focused when using technology and to use it appropriately with the goal of saving time. Sometimes, a phone call may be more efficient and productive than an email. Provide employees with the right hardware and updated software to keep them working at peak proficiency.
Customer service

Technology brings businesses closer to customers. Businesses use email to answer questions, offer online chat to help customers that are visiting the business website, and equip call centres with the latest phone equipment that makes customer service agents more efficient.

Telecommuting

Many small businesses now offer telecommuting and flex time as benefits. Colleagues can stay in touch from different locations, and when working different hours, by using email, online collaboration tools and mobile computing devices. When in the office, workers can share digital documents, convey information through presentations and create training videos to bring new employees up to speed.

Teleconferencing

Teleconferencing over the phone is one of the simplest conferencing methods, but advancement in recent years has brought web conferencing to the fore. Web conferencing can bring together web cams, audio and collaborative online meeting spaces to create an extremely interactive environment. Participants can see each other, work together on documents and recreate the in-person meeting experience no matter where they are in the world. This is one way that small businesses can extend their reach to include global customers and workers.

Yahiya, (2011) shows that the speed that modern technology has developed has resulted in traditionally slow-moving financial institutions having had to invest billions to remain relevant to customers and competitive in the banking sector. (Mullin, 2016) states that, Information technology focuses on the development of electronic networks that exchange information. Because all financial transactions involve the exchange of information, the increasing popularity of online finance coincided with advances in information technology.

In recent years, one had to form long queues in the banking hall to withdraw money or pay in a cheque. In modern day, banks apply technology to help improve their services to the best of their ability hence, making it possible to perform most transactions online; from simple transactions to complicated issues such as applying for a mortgage (Brief, 2014). The banking sector has embraced the use of technology to serve its client’s faster and also to do more with less time. Emerging technologies have changed the banking industry from paper and branch based banks to “digitized and networked banking services. Some banks are now only available online or electronically, e.g. banks like Smile in the UK and Simple in the US don’t have any physical branches at all, although they're partnered with existing institutions which ensures the funds are completely safe (Ramey, 2015).

Unlike before, broadband internet is now quite cheap and it makes the transfer of data easy and fast. Technology has changed the accounting and management system of all banks. And it is now changing the way and how banks are delivering services to their customers. However, this technology comes at a cost. Implementing all this technology is expensive but the rewards are limitless (Brief, 2014). (Ramey, 2012) mentions that the role of technology in the banking sector include the following:

Electronic banking

Electronic banking enables the bank to deliver its services easily to its high end customers. To make the system user friendly to all clients, banks use a software called a graphical user Interface (GUI), with this software, customers can access their bank details on their own computers, make money transfers from one account to another, print bank statements and inquire about their financial transactions. Another technology used by banks to exchange data between the bank and clients is called Electronic Data Interchange (EDI); this software can be used to transmit business transaction in a computer-readable form so that the client at the other end can read the information clearly.

Rural banking

Unlike in the past when banking was centralized in urban areas, nowadays, technology has made it simple to set up banking facilities in rural areas. E.g. In Africa, Mobile money banking facilities have been introduced. In this case a user in a rural area will have an account with a mobile company which is opened for free. They can then deposit money on that account via a nearby mobile money operating
center. This money can be withdrawn anytime and anywhere; they can also receive or send money using the same system.

**Plastic money**

Credit cards or smart cards such as Visa Electron Cards have made bank transactions more flexible and convenient. With a credit card, a customer can borrow a specific amount of money from the bank for personal purchases and the bank bills them later. In this case, they don’t have to go through the hassle of borrowing small money. Also, with “Smart Cards” like visa electron, a customer can pay for anything using that card and that money is deducted from their bank accounts automatically, they can also use the same card to deposit or withdraw money from their accounts using an ATM machine. (Prabhu, 2016) mentions the following as the role of technology in the banking sector:

**Faster remittance facilities**

Electronic Fund Transfer (EFT) has accelerated the movement of funds across the world-cash knows as cyber cash, it plays a predominant role in business world. SWIFT (Society for World Wide Interbank Financial Telecommunication) is a classic example of EFT. The reasons for the success of an EFT system are speed, reliability, security and accuracy. It is an efficient mode of fund transfer across various banks. It significantly reduces the number of outstation cheques issued by customers. Consequently, service load on banks could be reduced over a period of time. Furthermore, this technique makes reconciliation of financial transactions automatic.

**Automatic teller machines**

Automated Teller Machines called ATM for short, allows routine banking transactions without interacting with a human teller. It offers a wide range of services such as modern banking namely deposit taking, cash withdrawal, and account balance verification etc. with the help of personal identification number (PIN) system. It offers round the clock banking services to customers. It is safe due to its electro-mechanical input and output system which is itself controlled by a fully electronic user interface. It prevents an unauthorized user of a particular ATM card from gaining access to the machine’s functions.

**Telephone banking**

Any branch of a commercial bank which has computerized its operations should be able to offer this facility to its customers with the help of a suitable software for this purpose. Digitization of voice has enabled the introduction of this technological mauve called Telephone Banking. Around the world, organizations such as airlines, railways etc. have already implemented a voice response system based on this technology.

Facilities offered through telephone banking can include a range of services such as balance enquiries, enquiries about collections or specific credits/debits, transfer of funds, request for statements of account or account opening forms etc. telephone banking services by the foreign banks include a wide spectrum of services such as opening accounts, ordering for demand drafts etc. Such services, however, would include a suitable levy towards service change.

**Home banking**

Home banking is like an extended and versatile version of telephone banking. The customer is able to access his branch for a variety of services through home banking. This facility is made available through the customer’s personal computer attached to a telephone line and modem. Online banking facilities including normal transactions can be assessed through home banking. The application software used this facility to incorporate security features such as encryption to protect the data transmitted over telephone lines.

**Internet banking**

The commercial transaction through internet has increased due to widespread popularity and cost effectiveness. Banks worldwide have launched their banking sites on the Internet World Wide Web (WWW). The main attraction of internet is the cost effectiveness. Banking transactions connected
through internet has 24-hour availability. Banks can offer their market service from any part of the globe at a fraction of the cost compared to traditional marketing channels.

The technology acceptance model

The technology acceptance model (TAM) is one of the well-known and widely used models related to technology acceptance and use. It was originally proposed by Fred Davis in 1986. TAM has proven to be a theoretical model in helping to explain and predict user behaviour towards information technology (Legris, Ingham, & Collerette, 2003; cited in Park, 2009).

TAM, as illustrated in Figure 1 below, includes 6 concepts as follows;

External Variables (EV) which is defined as variables that affect perceived usefulness (PU), perceived ease of use (PEU), and attitude toward using a particular technology. Perceived usefulness (PU) which means that a person believes that using the particular system/technology will improve his or her action. Perceived ease of use (PEU) which means that a person believes that using the particular system/technology will be simple and not cumbersome, attitude towards use (A) which is defined as the users’ desirability to use the particular system/technology complicated, behavioral Intention (BI) is forecasted by attitude towards use (A) combined with perceived usefulness (PU) (Venkatesh et al., 2003; cited in (Lezin, 2017).

![Technology acceptance model](image)

**Figure 1.** “Technology acceptance model”


“TAM is considered an influential extension of theory of reasoned action (TRA)”, according to (Ajzen and Fishbein (1980); cited in Park, 2009). The theory of reasoned action (TRA) was first developed in the late 1960s by Martin Fishbein and revisited and expanded Fischbein and Icek Azjen in decades that followed. TRA is a theory that focuses on a person’s intention to behave in a certain way (Lezin, 2017).

![The theory of reasoned action](image)

**Figure 2.** “The theory of reasoned action”
Source: (DR), 2016).

So many studies have been conducted which has led to the changes in the originally proposed model. Park, 2009 shows that a new model called combined TAM-TPB model which integrated the technology acceptance model and theory of planned behaviour was proposed by Taylor and Todd (1995). The theory of planned behaviour is used to predict deliberate or planned behaviour. It is true that attitudes are a good way to predict spontaneous, unplanned behaviour. It is a theory which is based on the fact that our attitudes don't always correctly predict our deliberate behaviour; at least, not on their own. Attitudes, combined with perceived control and norms, actually predict our intentions (Phan & Daim, 2011). According to this theory, when people have time to plan how they are going to behave, the best predictor of that behaviour is one's intention. In other words, to predict what people are going to do, you need to know what they intend to do (Ajzen, 2006).

![Figure 3. “Theory of planned behaviour”](image)

Source: (Ajzen, 2006).

According to (Lee, Kozar, & Larsen, 2003) “several replication studies have been conducted on the theory of acceptance model.”

Adams et al. (1992) cited in ; Lee, Kozar, and Larsen, (2003) examined TAM in 5 different application namely word processors, graphics, spreadsheets, e-mail, and v-mail and found that, in general, TAM maintained its consistency and validity in explaining users’ acceptance behaviour.

Davis replicated his previous study using e-mail and a text editor with 112 knowledge workers, and found that TAM successfully explained the adoption of both technologies (Davis 1993; cited in Lee et al, 2003).

Venkatesh and Davis (2000); cited in (Surendran, 2012), proposed a new version of TAM called TAM2 which added new variables to the existing model. Venkatesh et al. (2003) in a study published in MIS quarterly proposed the Unified Theory of Acceptance and Use of Technology (UTAUT) Model.

Davis (1989) and Davis, Bagozzi, and Warshaw; cited Park, 2009) proposed the TAM in order to explain why a user accepts or rejects information technology by adapting the TRA. TAM provides a basis with which one traces how external variables influence belief, attitude, and intention to use. Two cognitive beliefs are posited by TAM: perceived usefulness and perceived ease of use. According to TAM, one’s actual use of a technology system is influenced directly or indirectly by the user’s behavioral intentions, attitude, perceived usefulness of the system, and perceived ease of the system. TAM also proposes that external factors affect intention and actual use through mediated effects on perceived usefulness and perceived ease of use (Park, 2009).
Lee (2009); cited in (Surendran, 2012) combined the Technology Acceptance Model with Theory of Planned Behaviour, perceived risk and perceived benefit to understand the adoption of internet banking.

Results/ findings

It has been found out that through the acceptance of technology in the Ghanaian banking industry especially among the customers of Eco bank and the general public is that Eco bank is able to use its websites to advertise, provide information to their clients, sell products and reach new customers.

Technological tools have also helped employees get tasks done more quickly and efficiently. This then translates into high profitability of Eco bank and hence employee remuneration is also increased. Technology acceptance has made it simple to set up banking facilities in rural areas. For example, Mobile money banking facilities have been introduced in Africa. In this case a customer of Eco bank and the general public in a rural area will have an account with a mobile company which is opened for free. They can then deposit money on that account via a nearby mobile money operating center. This money can be withdrawn anytime and anywhere; they can also receive or send money using the same system.

Through technology acceptance, the customers of Eco bank and the general public are able to access a branch for a variety of services through the convenience of home banking. This facility is made available through the customer’s personal computer attached to a telephone line and modem.

Also, Automated Teller Machines called ATM for short, allows routine banking transactions thorough acceptance of technology without interacting with a human teller. It offers a wide range of services such as modern banking namely deposit taking, cash withdrawal, and account balance verification etc. with the help of personal identification number (PIN) system. It offers round the clock banking services to customers. It is safe due to its electro-mechanical input and output system which is itself controlled by a fully electronic user interface. It prevents an unauthorized user of a particular ATM card from gaining access to the machine’s functions.

Conclusion

Lee et al, (2003) elaborated on the problems of the theory of acceptance as follows;

Although TAM has aided the understanding of information systems acceptance, one neglected area is examining different information systems and environments. Researchers including Venkatesh (1999) suggested studies on multi-user systems, and more complex technologies. Opportunities in study of the Internet may also exist.

Studies have investigated the effects of different environments and individual differences, but more efforts to examine the broader environmental factors including emotion, habit, personality difference, and technology change, even going beyond individual acceptance to organizational and societal acceptance are necessary.

Social influence plays a crucial role in human behaviour and decision making. While TAM studies attempted to investigate the effect of social influence on the technology acceptance decision, the results were mixed weak associations were found between subjective norms and other variables.

Some studies attempted to include social influence into TAM and to start finding the boundary conditions that affect the significance of social influence. However, this issue is still in the early stages of investigation, requiring more research to find the causal linkage between social influences and IT adoption and the incorporation of new socially influential factors. For example, social identity and norms as new social factors in social psychology fields are liable for investigation.

One of the major problems of TAM studies was that TAM was applied to tasks that were too broad. Previous studies were mainly performed by assigning a single task to the theory. However, many studies of task-technology revealed that perception of the technology varies according to task type. For example, Karahanna and Straub (1999); cited in Lee et al, (2003) recognized that the research findings cannot be generalized under task-dependent situations.

Also, self-reported usage is widely used in TAM studies assuming that it is a reasonable predictor of actual system usage. However, there is the risk of distorted research findings by using self-reported usage instead of actual objective usage. Lederer et al., 2000; Karahanna and Straub, 1997; Rawstorne
et al., 2000; Straub et al., 1995; Szajna, 1996; cited in Lee et al, (2003) found that research based on self-reported usage shows distinctly different results with that of actual usage.

Self-reported usage was also found to be the major reason for common method bias Igbaria et al., 1997 cited in; Lee et al, (2003).

References
The Paper Investigates the Role of Remote Working in Export Management, Determining How Virtual Organizations can Manage Remote Working Effectively

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Abstract

Remote working is becoming a growing trend within all technological & organizational business. However, in Export Management, its growing trend has voiced concerns over the containment of remote working and the determined impact it has on business. Communication continues to involve in Export Management especially, with the explosion of technology has meant that flexible working legislations have been introduced. However, there are managerial personnel who adhere to remote working without determining the effect it has on export performance. There are number of factors that have not been addressed and this article looks to highlight & investigate the impact remote working has on export management, how it can be managed and the influence it has on effectiveness, productivity and sales in export organizations, not to mention from an employee personnel point of view, identifying the positive role remote working may have on employee personnel and whether it develops a positive working environment and determine the attitude towards personnel within Export Management organizations. Because many of these antecedents can be controlled managerially, these findings suggest important ways in which a remote employee's work performance can be enhanced, through the intermediary effect of improved remote work self-efficacy. The research will be tested with self-efficacy theory and critical research & historical evidence to investigate the global impact remote-working employees have, a type of psychology model that determines the adoptions of positive psychology. The current study also provides a basis for future research in the remote work area through its development and testing of a remote management framework.

Keywords: Self-efficacy, Remote, Communications, Performance, Global, Productivity.

Introduction

Export Management is the application of managerial processes, within a capacity of distribution for domestic and functional exports. Its requirement is to provide coordination and integration of all personnel to follow the managerial processes within the business. It concerns the export of orders and functions as a foreign market for buying.

The world economy has a direct effect on the export management business globally. The economic crisis has been a key focus to export management. There has been an urge to deliver certain measures to raise performance of the export management industry. Communications have evolved rapidly which has opened the door for flexible (or remote) working culture which is now a commonplace. What must not be undermined is the quality of life that employees seek in any organization. However, the determining the impact of remote working is still a growing concern and the analysis of how it affects export management processes is yet to be determined. The implications of remote working in export management are still being felt globally within export business, where the keenness to maintain a balance personally begins to weigh out against the continuous rise or fall of export management. The rapid rise of technology allows channels & solutions to follow the business process now adheres with remote working. This extensive research study will statistically provide insight & determine whether more employees are taking up the option of remote working, whether remote working in export management is a common theme, does it work & why and determine the business & global impact (if any) remote working has in export management.
Literature review

To many, it seems that remote working in general should take a back seat. Although it remains to be seen whether it is evident that remote working has had a negative effect on export management productivity. However, this aspect in organizations speaks volumes. Remote working can be either a hinderance to export production or a benefit. The management & balancing of work along with personal lives since remote-working has been introduced as legislation has been taken up by many organizations, where productivity has continued to progress according to organization targets. However, measuring the productivity & sales in export management, isn’t it more economically focused? The Determinants of Trade discussed by Seyoum, p14 (2009), state that the major determinants are “Presence of an entrepreneurial class; access to transportation, marketing, and other services; exchange rates; and government trade and exchange rate policies.” So, the determination of whether remote working is a determinant requires more thought. Furthermore, being able to embrace remote working practices within export management should have been considered or implemented by now within the organizations policies. Due to the forever-growing technology, channels to continue duties within export management are available to maintain productivity.

The role of remote work in export management

Such a considerable number of individuals have an excessively glamorized misguided judgment of what working remotely is all about. In an impeccable world, everybody would have the capacity to move many nations or potentially shoreline bounce while advancing in their vocation and taking substantial income. Be that as it may, this is not the truth of remote work, but what we call the ‘fantasy of the advanced nomad. Before we plunge into the appropriate response and start discussing what remote work is, let’s cover what it isn't.

Remote work can beneficial. For some reasons, it is a fantastic new pattern developing. I say this since remote work allows for a gainful hard-working attitude, a financially savvy plan of action, and a solid work-life adjust, among numerous other benefits. In the current Global Workplace, Analytics contemplate Best Buy, British Telecom and Dow Chemical revealed that their specialists were 35-40% more beneficial when they telecommute. I'm not simply singling out numbers here either, information that favors telecommuter efficiency is overpowering. For a situation considered by CTrip, where office profitability was estimated, telecommuters were 14% more painful than their office partners. Without commuting, remote staff begin work prior and take shorter breaks, also the way that not driving diminishes natural pollution! Now that you know the advantages of working remotely, here is a rundown of rules generally used to guarantee they are composed, beneficial, and communicative.

A working day method to remote work is to execute an everyday routine. My everyday routine comprises of awakening early, having a sound breakfast, getting some types of activity and after that taking a seat in my office (which is a setup workspace, much the same as an office I would have if I worked at an organization). To begin my work, I meet with my group and take care of business. It's a decent method for getting into the work process.

Group Communication - Generally, directors have expected that vicinity was sufficient for groups to impart viably. The remote group has constrained a reconsider of these standards. This decent thing puts attention on building joint effort into everyday processes.

Group Chat – Communicating with our customers, groups, and outsiders using Slack rather than email. Slack is one of another type of hierarchical visit apparatuses which enables gatherings to have content discussions and work together successfully and efficiently. An element we find supportive on Slack enables you to set the setting of channels so that you can talk about specific undertakings or subjects, and individuals can convey straightforwardly if needed.

Online Administration - Remote work is conceivable considering the online assignment following and administration instruments accessible today. These empower simple prioritization, record sharing, straightforwardness and better joint effort. Since Scalable Path is totally remote, there is a dependency on online interaction such as using Google Hangouts, Go to Meeting, Skype. These empower consistent and straightforward voice and video calls, which implies we can rough face to face gatherings with respect to what we hear and find in individuals' appearances. As a reward, numerous instruments
additionally empower diverse types of community-oriented highlights, for example, screen sharing, which makes going around print-outs and clustering around a solitary PC a thing of the past.

**Time Zones** - You may consider how individuals function remotely together from two distinct nations, main lands, and time zones. It's critical for telecommuters to have a sound cover in working hours so that individuals can cooperate.

**Self-Sufficiency** - Individuals need direct communication between team contributors in preference to top-down management. Far off work gives you the freedom to have whole soaintings-life stability, but additionally the opportunity to be your most effective self. Taking the initiative is key to be self-sufficient.

Remember the fact that a far-off office shape calls for people who can work in home working environment but it is not for every person. It can be tough to construct a company culture and people don’t become buddies like they commonly could if they have been around each other every day. The turn aspect is much less drama. Personnel tends to be extra careful about the work they are doing.

For teams who work remotely, some gears that onsite employee's use can be beneficial, but different tools are needed to facilitate verbal exchange. From staff control of everyday productivity, pipelines and group collaboration, you could make use of a few remarkable equipment's that make sure faraway communication is less complicated and more powerful for your company.

Test out these revolutionary experiments for remote and freelance people and how these methods can be used:

1. **Asana**
   Asana allows groups to daily manipulate duties and venture crowning glory notes in an easy format. This system organizes day-to-day-do lists, initiatives, assembly records, conversations, and emails in a clean-everyday-study dashboard that empowers crew participants every day to live modern with some records that matter on a foundation.

   Famous daily consist of Mashable, Audacity, and Baggy. The technology is also every day for Apple and Android gadgets so that you can apply it to the pass. Freelancers are capable of live contact as a part of a team or most effective with the folks that settle their work. They can live on every day of all their duties from one easy platform.

2. **Toggle**
   Need every day to maintain music of hours in your activity? Toggle is a time-tracking application that reports your paintings activity; however, you spot healthy. Hold track of how many breaks you're taking at some stage in the day or start handling your hours for freelance jobs. The click of but daily will log your hours for you on a neat and easy-every day-study sheet. Get reviews of your pastime through the years and record your hours as part of a crew. Users additionally have the ability to daily input forgotten times manually or add information offline to be able to sync up the next time a web connection is daily.

   When I work for jobs that require riding or employers who need every day preserve track of time, scheduling, and vicinity from one utility when work does it all. Freelancers are saved accountable with the aid of using this gadget on a cellular every day. Timesheets, exertions costs, and payroll export are all features of this utility.

3. **Evernote**
   Evernote permits users every day to preserve notes, studies, and other information including at-home every day-do lists in a neat organizational application. Clip exciting tidbits on-line everyday document away or save a photo that evokes you. Something you want an everyday shop, Evernote lets you every day do it in one organized location. Freelancers can benefit from the utility with the aid of taking their work with them and keeping it, all prepared anyplace they may be working. Most industries can benefit from the setup.
4. Citrix 24

Citrix 24 combines social media with mission management, CRM, and file sharing. It permits team individuals day-to-day to interact with their work in a social-media stimulated manner. Send colleagues badges for correct work or collaborate from afar. Freelancers and other faraway workers can hold conversation and challenge control effortlessly daily, which can be day-to-day on a pc or any mobile, every day.

5. Google apps

Google seems capable of doing the entirety, and that is going for faraway work control as well. In case you need expert electronic mail, record sharing, protection, and extra, Google Apps likely has an answer. It’s day-to-day with a wide range of abilities which can work independently or in live performance. Corporations are taking advantage of the far-off possibilities that Google Apps affords. The customized organization e-mail addresses are awesome for freelancers who need day-to-day assignment an expert look in business interactions.

6. Google hangouts

If you want to keep a convention with as many as 10 human beings, or chat with crew remote participants with whom you're taking part, Google Hangouts can keep you connected at domestic or on the move. A few say that it has even surpassed Skype in phases of video and sound exceptional. Freelancers can use this program stay in day-to-day contact with contract every day, and remote workers who are tied carefully to a daily small group will gain from its easy-every day-use interface and mobile capabilities.

7. Basecamp

Basecamp is designed for assignment management; it really works remotely and on computer systems. Each small freelance projects and substantial group endeavors can benefit from the easy interface and scheduling, record upload, and collaboration features that Basecamp presents. Although it's been around for 15 years, Basecamp is still a daily day-to-day, and you may try it out without spending a dime first.

Choosing every day, with a ramification of so many day everyday equipment which might be powerful and easy to apply, day-to-day be day-to-day decide which is at every day be every day on your business enterprise. Many have professionals and cons that lead them to more applicable every day sure painting environments than others, most freelancers and remote working groups will advantage from gear that offers record sharing and easy time recording strategies. Be cautious of unfastened online tools.

Roles in Devolutions Server are in truth links to lively listing organizations. By way of leveraging active listing integration, you could without problems outline access rights for all area customers for your organization. Once a site person logs in the Devolutions Server statistics source, their personal account will be created if wanted and the described agencies can manage customer’s rights.

Study of results

Nowadays, you cannot consider the sector without export management. Importing goods from a country and exporting to every other country is what has ended up a very critical part of commercial enterprise & international trade these days. This enterprise is a large enterprise as nearly the whole globe is worried in worldwide alternate these days. However, did you ever realize that mere switch of products across countrywide borders is incredibly complex? You obtain that this proper method is a complicated method as it involves some of the people to facilitate the easy going for walks of this business.

Let’s analyze the kinds of remote working experiments and determine the availability of these experiments around the world:
In two decades, the number of mobile subscriptions was almost zero at 6.9 billion. The mobile revolution has emerged in rich countries, and in 2000, high-income Organization for Economic Co-Operation (OECD) countries already have 50 subscriptions per 100 inhabitants. However, in low-income countries, rates are lower than one subscription per 100 inhabitants. Due to rapid growth, developing countries have begun this "mobile divide". In 2005, there were 18 times more subscriptions for every 100 residents as a low-income country. However, in 2013, this rate fell twice. The impact of the mobile revolution has become the most important in developing countries where it is committed to addressing the critical lack of telecommunications infrastructure and increased access and productivity in sectors such as agriculture, health, education and finance. Although this is remarkable, one must recognize the limits of the mobile revolution. First, while there are almost as many mobile subscriptions as people around the world, that does not mean everyone owns or uses a cell phone. The number of mobile subscriptions exceeds the number of mobile users. According to the Global System for Mobile communication (GSM) association, mobile phone subscribers have about half of the mobile subscriptions; International Telecommunication Union (ITU) estimates that mobile penetration worldwide has reached 48% and 30% of the largest developed countries. Secondly, even in countries where the penetration rate exceeds 50%, there is a significant difference between cities and the countryside. In fact, some parts of developing countries are not yet covered by a mobile signal. According to ITU calculations, by the end of 2012, about 450 million people are still living beyond the reach of a mobile signal.

Third, many can only do with 2G mobile phones that can only send voice and text messages. The most convincing and reliable solution to development requires more sophisticated technologies. First, faster and more reliable Internet access is possible, whether it's mobile, wireless or wired. But the Internet is not everywhere or does not spread as much as many believe. Apart from mobile telephony, the digital divide is still deep, shows the high and consistent level of relationship between revenue and performance in the pillar of Information Communication Technology (ICT) use. In this category, the score between high-income economies and the rest of the world has increased significantly since 2012: low- and middle-income countries and low-income countries are even more numerous in 2012, showing the ratio of income and ICT.

The United Nations Working Group on Sustainable Development Recommendations (OWG) recommends to the international community "universal and affordable access to the Internet by 2020 of the least developed economies". Considering current levels and progress in what follows, this milestone is considered very optimistic and unlikely to be missed. In fact, the Internet is non-existent, difficult to obtain, cannot be bought or is too slow in most countries of the world. Shows the rate of Internet penetration by income groups and by years since 1997, when data coverage is quite important.16 At the end of 2013, 81% of the population in high-income OECD countries earned Internet. Rates in low-income countries are ten times lower - only 7.6%, lower than the OECD penetration rate in 1997.

In 2013, five in 25 low-income countries have a penetration rate of more than 10% and only one - Kenya - has more than 20%. In the late 1990s, Kenya liberalized its telecom sector and established the Kenya Internet Exchange Point in 2002, which led to a dramatic decline in provider operating costs and retail prices and higher local content. As a result, Kenya's Internet access increased by 1% a year from 2002 to 39%- five times the average of the low-income group. As in the case of mobile telephony, the gap between city and country on Internet penetration is huge. According to ITU, though it extends to parts of the world. Data is extremely scarce, but some data points that exist are significant. For example,

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<thead>
<tr>
<th>REMOTE EXPERIMENTS</th>
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<tr>
<td>Asana</td>
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<td>Toggle</td>
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<td>Evernote</td>
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in Guatemala, a city household is 12 times more connected to the Internet than the countryside. And ITU estimates that this ratio may be higher than low-income countries.

**Discussion and conclusion**

Developing technology has become a key ingredient in determining whether export management as a process has a negative or positive impact on the overall business. Exporting companies are the most successful business although remote working has not been analyzed appropriately to measure its success of failure impacts. The prospects of oversees business products is the responsibility of the task of a marketing or export supervisor. From the analysis produced, what is clear is that the opportunity of remote working in general is appealing to workers and has been taken up as an option from a personal standpoint. Export activity possesses major importance in International marketing, which is also a key ingredient in determining the import and export growth within companies. However, to make export effective and profitable for a unit, the exporter must consider various managerial matters, and one of them is remote working. What we can see, is that it does not have a detrimental effect on the daily production within export management business.

Developing technology has become a key ingredient in determining whether export management as a process has a negative or positive impact on the overall business. Exporting companies are the most successful business although remote working has not been analyzed appropriately to measure its success of failure impacts. The prospects of oversees business products is the responsibility of the task of a marketing or export supervisor. From the analysis produced, what is clear is that the opportunity of remote working in general is appealing to workers and has been taken up as an option from a personal standpoint. Export activity possesses major importance in International marketing, which is also a key ingredient in determining the import and export growth within companies. However, to make export effective and profitable for a unit, the exporter must consider various managerial matters, and one of them is remote working. What we can see, is that it does not have a detrimental effect on the daily production within export management business.

The objectives and tasks within export management include Marketing Research, Planning, Product planning, Quality control and export pricing. Marketing tasks can easily be completed on a single remote working day, where the internet needs to be used. Technology is so advanced that it is impossible to be negatively impacted by it. It is an essential ingredient for the world to conduct business. Export Management activities are no different. The marketing techniques therefore are not affected for the growth of oversees and local sales of products. As seen above, the use of online communication and cloud technologies are being implemented across many countries and working through online channels is growing and growing rapidly. Business are nowadays struggling to catch up. Export Management channels require business to be conducted over the internet. Therefore, face to face communication aside, customers can be managed through other communication channels, including using the likes of Google Hangouts and Asana. It is clear to see that the communication channels are reliable enough for remote working and there is no substantial evidence to suggest that remote working is negatively impacting the production and sales within export management.

**References**


An Evaluation of Commodity Supply Chain and Logistic Strategy for Internally Displaced Persons in Borno and Plateau State, Nigeria

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Abstract

This study is an attempt to evaluate the logistics and supply chain processes involved in providing humanitarian aid commodities for Internally Displaced Persons (IDPs) in Jos Plateau State, Central and Maiduguri Borno State, North Eastern Nigeria.

The study was carried out in two IDP camps, one located in each of these two towns – Jos and Maiduguri, with the method of survey questionnaire which was administered to 60 respondents randomly selected from 200 state and non-state actors involved in the supplying of aid commodities to both camps at the time of this study.

The findings uncover gaps between research and practice; providing new insights into human behaviour in the humanitarian aid commodity logistics and supply chain management. Explanations for these barriers and possible solutions to mitigate them are disclosed in the course of this study.

The summary of the findings from the study are: Initial IDP needs assessments are not done, no clearly outlined national disaster management plans, the capacities of the state and non-actors inadequate and Logistics Service Providers generally ill equipped.

It is in the opinion of this researcher that in order to ensure a very effective and efficient response to the needs of Internally Displaced Persons in Jos Central and Maiduguri North Eastern Nigeria the state and non-state actors must address the gaps identified in this research.

Keywords: Camps, Conflict, Disaster, Displacement, Host Community, Humanitarian Logistics, Humanitarian Aid Commodities, Humanitarian Aid Worker, Internally Displaced Persons, Kampala Convention, Logistics Service Providers, State and non-state Actors and Supply Chain Management.

Abbreviations

DRO : Disaster Relief Organizations.
HA : Alternative Hypothesis.
HO : Null Hypothesis.
IDP : Internally Displaced Persons.
LSP : Logistics Services Providers.
MSF : Medicines Sans Frontiers.
SCM : Supply Chain Management.
Background of the study

Internal displacement in Nigeria was already in the headlines 48 years ago, when some two million people died and several millions became internally displaced during the Biafran war (1967-1970). While displacement of this magnitude has not reappeared since then, Nigeria has over the past four years seen a dramatic increase in communal violence. Although the situation cannot be compared to the former civil war, or be characterized as a typical "armed conflict", all parts of the country have recently been affected by armed clashes between different ethnic groups, or between political factions, as well as looting by armed nomadic groups. Added together, these pockets of violence have caused a humanitarian situation and levels of internal displacement comparable to some of the better known African emergencies. (Profile of Internal Displacement: Nigeria. Norwegian Refugee Council May 2003).

As a result of the non-international armed conflict between the Nigerian Government and the armed opposition (Jama’atu Ahlu s-Sunnati lil-Da’wa wa wal-Jihad / Islamic State West Africa Province group) more than 1.76 million people are internally displaced in the North Eastern region of Nigeria. The total number of internally displaced persons (IDPs) in North East and North Central Nigeria is estimated at over 2 million people, making Nigeria host to the six largest IDP population in the world. Borno, Adamawa and Yobe States currently have the largest number of IDPs, with approximately 1.68 million persons who have been displaced as a result of the conflict, including approximately 528,000 IDPs in Maiduguri Metropolis, Borno State. Given the large scale of the displacement, and the ongoing instability in many Local Government Areas (LGAs) in the North East of Nigeria, the Federal and State Governments have been facing, and continue to face, a critical humanitarian situation that is not expected to end anytime soon. (Internal Displacement in North East Nigeria: International Committee of the Red Cross 2016). It is obvious from the foregoing that providing essential commodities for this huge number of displaced persons within a very short time could be very challenging as a result there is a need for research into possible ways of addressing the problems. This is what motivated the researcher to conduct this study.

As a State Party to the African Union Convention for the Assistance and Protection of Internally Displaced Persons in Africa (the “Kampala Convention”), the Nigerian Government has the primary duty and responsibility to assist and protect IDPs in its territory, with support from humanitarian organizations where needed. It is also obliged to incorporate the Convention into the domestic legal framework and promote conditions for voluntary, dignified and safe durable solutions to displacement. (Internal Displacement in North East Nigeria: ICRC 2016). The question is has Nigerian Government been able to effectively and efficiently provide for the IDPs? The researcher will in the course of this work provide answers to this concern.

In the early 2006, the increasing number of Internally Displaced Persons (IDPs) due to conflict induced internal displacement informed the Nigerian Government to consider a National Policy on IDPs, the draft of which was tabled for consideration in 2007 but the then Federal Executive Council did not adopt it. The draft was revised twice between 2009 and 2012 to reflect the new realities and based on the framework provided by the Kampala Convention (The Draft National Policy on IDPs in Nigeria, September 2011). Having recognized that in Nigeria and elsewhere in the world, IDPs are
amongst the most vulnerable populations for obvious reasons, the Federal Government of Nigeria signed, ratified and deposited her instruments of the African Union (Kampala) Convention for the Protection and Assistance of IDPs in Africa (The AU Kampala Convention, 2009).

Nigeria is yet to domesticate this piece of legislation and this may be responsible for the ineffective and inefficient management of the humanitarian commodities’ supply chains and the logistics of their distributions nationally, especially in Internally Displaced Persons (IDP) camps in Jos Plateau state and Maiduguri Borno state Nigeria. Another serious issue is that the Kampala document is not detailed enough on what constitutes humanitarian aid commodities, their logistics and supply chain processes. That is, the document did not provide a standard operating procedure (SOP) of identifying the commodities, procuring, warehousing, transporting and distribution of the humanitarian aid commodities for speedy delivery to the points of needs. In most cases either the commodities fail to be delivered on time to the camps or poorly distributed within the camps due largely to poor planning, inadequate funding, corruption and low capacity of the personnel. In some serious cases the commodities are left to rot or idle away in the open air space or poorly ventilated national or regional warehouses while the actors go through seemingly unending bureaucratic (logistics) processes and the IDPs wallow in near or total lack of basic commodities for survival. In some other cases, politicians trying to score political points over their opponents spend more time on propaganda instead of granting speedy approval for the procurement, delivery and distribution of the needed essential aid commodities which are usually in very urgent demand.

As earlier pointed out, there are myriad’s of problems responsible for the emergence of these gaps but for the purpose of this work the researcher decided to investigate three key issues: (1) Lack of sustainable emergency response plans. (2) Low capacity of state and non-state actors. (3) Lack of equipped/specialized humanitarian logistics service providers in Nigeria. This research project is therefore aimed at evaluating the strategies been adopted in Nigeria by both state and non-state actors to manage the supply chains and logistics of humanitarian aid commodities in Jos and Maiduguri Nigeria especially as it affects the IDPs. It will enable us to know whether the IDPs are adequately or inadequately provided for within a reasonable period of time as recommended by internationally accepted standards of practice in humanitarianism and also proffer solutions for improved performance where applicable.

**Statement of the research problem**

The humanitarian aid commodities are usually in urgent needs by the IDPs anywhere they are located in the world and this was the case in Jos Plateau state and Maiduguri Borno state Nigeria, but they are hardly delivered on time due largely to a very weak and non-agile supply chain and poorly coordinated logistics and supply chain management systems. In the two IDP camps visited in the course of this research the conditions of the IDPs were deplorable due to none or very late arrival of humanitarian aid commodities that are in most cases insufficient. The problem is so serious that some IDPs especially the children and elderly were looking severely unkempt, malnourished, and ill and in some cases appeared to be dying gradually in the camps. The major problem in most cases from the investigation of the researcher is the delay in delivery and distribution of the humanitarian aid commodities to the IDPs. There is no clearly defined system of moving humanitarian aid commodities from the donors’ cargoes or markets to the national/regional warehouses and onward to the IDP camps. Even when the aid commodities eventually get to the camps no well-coordinated systems of distribution is seen to have been put in place.

In order to properly address these problems the following research questions were raised:

1. Is the lack of sustainable disaster response plans responsible for the delay or untimely aid commodity supply and distribution to IDPs in Jos Plateau and Maiduguri Borno states Nigeria? 
2. Is the lack of well-equipped and specialized humanitarian logistic service providers in Nigeria responsible for the delay or untimely commodity supply and distribution to IDPs in Jos Plateau and Maiduguri Borno states Nigeria? 
3. Is the low capacity of state and non-state actors on humanitarian logistic systems responsible for the delay or untimely commodity supply and distribution to IDPs in Jos Plateau and Maiduguri Borno states Nigeria?
Hypothesis

Generally, IDPs hardly have access to their basic needs in the camps on time due to a myriad of problems such as inadequate preparation for a very rapid response in emergencies, low capacity of state and non-state actors, and non-specialization of logistics service providers in humanitarian aid commodity supply chain operations. In order to critically examine some of these problems and provide solutions to them, the following research hypothesis have been raised for this study.

HO1: Lack of sustainable disaster response plans is not responsible for the delay or untimely humanitarian commodity supply and distribution to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria.

HA1: Lack of sustainable disaster response plans is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria.

HO2: Lack of well-equipped and specialized humanitarian logistic service providers in Nigeria is not responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria.

HA2: Lack of well-equipped and specialized humanitarian logistic service providers in Nigeria is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria.

HO3: Low capacity of state and non-state actors on humanitarian logistic systems is not responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria.

HA3: Low capacity of state and non-state actors on humanitarian logistic systems is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria.

Definition of operational terms

Camps: These are erected sites with non-permanent shelters (e.g. tents) used for the collective and communal accommodation of evacuated or displaced persons. Camps can be planned (i.e. purposely-built sites, completed before or during the influx of people) or self-settled (i.e. set up spontaneously by internally displaced persons or host communities without the support of the government or the humanitarian community).

Conflict-Induced Displacement: This refers to displacement resulting from people being forced to flee their homes or areas of abode for one or more reasons including armed conflict such as civil war, communal conflicts, generalized violence, natural disasters etc. and where the state authorities are unable or unwilling to protect them.

Development-Induced Displacement: This refers to a situation where people are compelled to move as a result of policies and projects implemented to supposedly enhance ‘development’. Examples of this include large-scale infrastructure projects such as dams, roads, ports, airports, refineries and oil and gas installations.

Disaster: In this study, a disaster refers to an unanticipated natural or human made occurrence resulting in serious disruption of the functioning of a community or a society causing widespread human, material, economic or environmental losses which exceed the ability of the affected individuals, community or society to cope using their or its own resources.

Disaster-Induced Displacement: This category includes displacement of people caused by natural hazards, disasters (floods, volcanoes, landslides, earthquakes), environmental change (deforestation, desertification, land degradation, global warming) and human made induced disasters (industrial accidents, radioactivity).

Guiding Principles: This refers to the 1998 United Nations document on Internally Displaced Persons. The document is known as the Guiding Principles on Internal Displacement, it is recognized as an important international framework for the protection of internally displaced persons globally.

Host Community: This refers to a community that, though not displaced itself, experiences the impact or consequences of displacement, either because it has to host a considerable number of internally displaced persons either in camps, collective centres, informal settlements or directly
Humanitarian aid commodities

These are commodities needed for the alleviation of suffering of the Internally Displaced Persons (IDPs) in the camp or at a known location. These commodities must be provided as soon as an IDP camp or location is identified. They include pre-packaged food items, shelter materials, water sanitation items, blankets, bed sheets, towel, soap, cooking pots, plates, spoons, food stuff, clothes, slippers, insecticidal treated mosquito nets, chairs, fire woods, kerosene stoves, first aid drugs and materials etc.

Humanitarian logistics

Humanitarian logistics is a branch of logistics which specializes in organizing the delivery and warehousing of supplies during natural disasters or complex emergencies to the affected area and people. It is the process of planning, implementing and controlling the efficient, cost-effective flow and storage of goods and materials, as well as related information, from the point of origin to the point of consumption for the purpose of alleviating the suffering of vulnerable people.

Humanitarian Aid Worker: Aid workers typically operate in front line conditions, facilitating the effective distribution of humanitarian aid to people who have been hit by human or natural disasters. This includes any worker engaged by a humanitarian agency, whether internationally or nationally recruited, or formally or informally retained from the beneficiary community, to conduct the activities of that agency.

Internal Displacement: According to the African Union Convention for Protection and Assistance of Internally Displaced Persons in Africa (Kampala Convention, 2009), “Internal displacement” means “the involuntary or forced movement, evacuation or relocation of persons or groups of persons within internationally recognized state borders” [Article 1 (l)]. Internal Displacement is the relocation of people from their place of abode to another location within a country as a result of conflict, natural disaster or economic development.

Internally Displaced Persons (IDPs): According to the African Union Convention for Protection and Assistance of Internally Displaced Persons in Africa (Kampala Convention, 2009), the term “Internally Displaced Persons” is defined as “persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized State border” [Article 1 (k)].

Kampala Convention: This refers to the African Union Convention for the Protection and Assistance of Internally Displaced Persons in Africa adopted by the special summit of the Union held in Kampala, Uganda, on 22nd October 2009.

Logistics: Logistics management is the governance of supply chain functions. Logistics management activities typically include inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfillment, logistics network design, inventory management, supply/demand planning, and management of third party logistics services providers (Teachtarget.com). Logistics management simply put is the coordination of activities at each nodes or points along the supply chains.

Non-state actors: This refers to private actors who are not public officials of the Government of Nigeria, including other armed groups not referred to in article 1(d) of the Kampala Convention, and whose acts cannot be officially attributed to the Nigerian government.

Supply Chain Management: Supply chain management (SCM) is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage. It represents a conscious effort by the supply chain firms to develop and run supply chains in the most effective & efficient ways possible. The Supply Chain Resource Cooperative (SCRC) Articles, 2017.

integrated into households. It also refers to a community that has to receive and integrate formerly displaced persons who decide to return to their homes and places of habitual residence or who have decided to settle permanently elsewhere in the country.
It is the management of the flow or movement of goods and services from the sources of production to the final consumer.

Review of literature

Introduction

There is generally a dearth of materials (theoretical and/or empirical) on Humanitarian Logistics, especially on the Humanitarian Aid Commodities supply to Internally Displaced Persons (IDPs) in Jos Plateau state and Maiduguri Borno state Nigeria. This notwithstanding the researcher carried out a literature review on Humanitarian Logistics from available academic journal articles, book chapters, papers on conference proceedings, material from tutorials at academic conferences and online using available search engines.

Definition and origin of humanitarian logistics

We define humanitarian logistics as that special branch of logistics which manages response supply chain of critical supplies and services with challenges such as demand surges, uncertain supplies, critical time windows in the face of infrastructure vulnerabilities and vast scope and size of the operations (Aruna Apte, 2010). Humanitarian Logistics is also defined as the process of strategically managing the planning, acquisition, transportation and warehousing of goods and materials from the point of origin to the point of consumption, to help deliver relief which mirrors the needs of beneficiaries in a cost-effective way (Thomas and Kopczak, 2005). Specifically, the activities of “planning, implementing and controlling the efficient, cost-effective flow of and storage of goods and materials as well as related information, from point of origin to point of consumption for the purpose of alleviating the suffering of vulnerable people” are known as “humanitarian logistics” (Thomas and Kopczak 2005 p. 2). Briefly, “for humanitarians, logistics is the processes and systems involved in mobilizing people, resources, skills and knowledge to help vulnerable people affected by disaster” (Van Wassenhove 2006 p. 476). This definition has similarities to commercial logistics, but differs in a few key areas; whilst the commercial sector aims to minimize costs, relief agencies aim to reduce human suffering (Holguin-Veras et al., 2013; Day et al., 2012).

Most humanitarian organizations such as the World Food Program (WFP) and Medicines Sans Frontiers (MSF) agree that humanitarian logistics is “the process of planning, implementing, and controlling the efficient, cost-effective, flow and storage of goods and materials, as well as related information, from point of origin to point of consumption for the purpose of meeting the end beneficiary’s requirements” (Thomas, 2005). Response to a disaster must be tailored to the characteristics of the disaster. A disaster is defined by Federal Emergency Management Agency (FEMA) as an event that causes 100 deaths or 100 human injuries or damage worth US$ 1 million.

Humanitarianism is often traced back to Henri Dunant’s efforts to attend to wounded soldiers in World War I (leading to the establishment of the Red Cross movement), albeit disaster relief efforts have been in place throughout history. Humanitarian Logistics practice thereby has a long history, even though the term “humanitarian logistics” has not been used in practice for long. Humanitarian Logistics has always been at the heart of relief operations although its status was not earlier recognized to the extent it is today. So even though one can argue that humanitarian logistics has been central for fulfilling missions, it lacked operational knowledge and generally too there was no investment in technology and communication as well as latest methods and techniques e.g. mathematical modeling (Gustavsson, 2003; Beamon and Kotleba, 2006). Furthermore, there was a shortage of humanitarian logistics experts, supply chain processes were largely manual, there was inadequate assessment and planning, and limited collaboration and coordination (Thomas and Mizushima, 2005). The lack of professionalization of Humanitarian Logistics also meant that logisticians were rarely included in the planning stages of a humanitarian response. Thus the voice of logisticians was often absent. The cumulative result of all these factors was that the logistics function remained isolated from finance, emergency response, information technology and management, leading to the sub-optimization of operational efficiency and effectiveness (Thomas and Mizushima, 2005).
Commercial versus humanitarian logistics

1. **Strategic Goals:** Commercial logistics maximize profitability and achieve high customer satisfaction. Humanitarian logistics minimize loss of life and alleviate suffering.

2. **Product Demand:** Products and services supplies and people demand pattern relatively stable and predictable in Commercial logistics. In Humanitarian logistics it is highly challenging due to the nature of the unknowns (locations, type, and size of events, politics, and culture), and “last mile” considerations.

3. **Inventory Control:** In Commercial logistics Inventory Control has well-defined methods for determining inventory levels based on lead time, demand and target customer service levels. In Humanitarian logistics inventory control is challenging due to the high variations in lead times, demands and demand locations.

4. **Management Information System:** In commercial logistics Information System is holistic, using advanced technology. In Humanitarian logistics information is often unreliable, incomplete or nonexistent. Beamon 2004.

5. **Lead Time:** In commercial logistics lead time is determined by Supplier-Manufacturer-Distributor-Retailer-Consumer chain or communications. In Humanitarian Logistics there is a zero time between the occurrence of the disaster and the need for aid commodities, actual lead time is determined by the chain of material flow during operations.

6. **Supply Network Configuration:** In Commercial Logistics there exist network for supply chain design. In Humanitarian Logistics this is challenging due to the numerous unknowns (location, type and size of disaster, politics, and culture and ‘Last Mile’ considerations.

7. **Performance Measurement System:** Commercial Logistics is historically focused on resource performance measures such as maximizing profits or minimizing costs. Humanitarian Logistics focus on output

8. Performance measures such as time required to respond to a disaster or ability to meet the needs of the disaster victims.

Historical overview of IDPS in Nigeria

As reported in the updated Global IDP Database of the Norwegian Refugee Council, internal displacement already occurred in Nigeria 30 years ago, when during the Biafran war (1967-1970) some two million people died and ten million people became internally displaced. While displacement of this magnitude has not been repeated since, approximately 500,000 people were forced to flee their homes after ethnic violence rocked Nigeria in October 2001, the majority of whom returned to their homes by mid-2002. Available figures suggested that towards July 2002, a total of at least 30,000 people remained internally displaced in Nigeria. This figure is mainly composed of a remnant of the June/July 2001 clashes involving Tivs in Benue and Taraba states, as well as people still displaced after the October 2001 violence in Benue state involving Tivs and the Jukun/military. The exact extent of displacement is difficult to estimate, because many internally displaced persons seek shelter within social networks and relocate to other towns and communities to join other family and clan members. Some of the major incidents of displacement since June 2001 are listed below:

- June 2001: Ethnic fighting between Tivs and Hausa-speaking Azaras in Nasarawa State displaced some 50,000. Fighting spread to Taraba State in July 2001, creating a further 25,000 IDPs. Some 1,800 people remained in Benue State as of July 2002.
- September 2001: Religious violence between Hausa-Fulani Muslims and indigenous Christians in Plateau State displaced 60,000, most of whom later returned.
- October 2001: Ethnic clashes between the Tiv and Jukun groups and army violence displaced some 300,000 to 500,000 people in Nigeria’s central region. Some 15,000 displaced remained in Benue State as of July 2002.
- January 2002: Revenge attacks on Christians in Plateau State caused the displacement of some 3,000 people, all of whom returned to their homes later.
Between 2003 and 2008, the National Commission for Refugees estimated at least 3.2 million people were displaced due to ethnic and religious conflict, from and within various states in the country. In August 2008, Nigeria ceded the Bakassi Peninsula to its neighbour, the Republic of Cameroon, following many years of dispute and an intervention from the International Court of Justice (ICJ) in October 2002. An estimated 400,000-755,000 people were forced to move across the border to Cross Rivers and Akwa-Ibom states in the Niger Delta region. Many were left landless, homeless, and cut off from their means of livelihood for years. There are approximately 100,000 people that are yet to be resettled according to state authorities. Thousands are also displaced annually as a result of environmental degradation and natural disasters, including flooding in the north central and northwest areas, erosion in the southeast, and oil spillage and development projects in the south-south Niger Delta region. Mohammed F.K. (2017).

There were reportedly some 80,000 IDPs in the country at the end of 2009 (USDOS, 11 March 2010). There are, however, no reliable statistics on internal displacement in Nigeria and different numbers exist in the absence of any comprehensive survey. The figures provided by government and non-governmental agencies are generally only estimates referring to localized displacement situations. In general, estimates only include people who have sought shelter at temporary IDP camps, leaving out the many who find refuge with family and friends. In most cases, numbers are not disaggregated by age and sex. As there are no mechanisms in place to monitor durable solutions, it is also impossible to determine whether and when people have ceased to be displaced. Nigeria also regularly experiences displacement as a consequence of natural disasters such as flooding or soil erosion (IFRC, 21 October 2010).

At the end of 2015, 3.9 million people in north-east Nigeria out of a total of 5.2 million across the Lake Chad Basin were in urgent need of food assistance. Of the $248 million required for the emergency response in north-east Nigeria in 2016, less than 20 per cent was available by May. International Crisis Group August 2016.

The humanitarian crisis in north-east Nigeria remains severe due to ongoing conflict, continued internal displacement and the unpredictable return of refugees from neighboring countries. Since late October 2017, large-scale displacements have taken place in Borno State and northern Adamawa State, with influxes of internally displaced persons (IDPs) in Pulka, Gwoza, Ngala, Monguno, Askira/ Uba, Konduga, Bama and Mafa most notably. In just three months, 28,000 have fled these areas and other locations for various reasons including voluntary relocation, insecurity and poor living conditions. Another large-scale displacement took place along the Maiduguri-Monguno axis (Tungushe, Tungushe Ngor, Gajiram, Gajigana, Gasarwa) due to a surge in hostilities in the northeast of Borno State. Biometric verifications are still ongoing in all the aforementioned locations but aid groups estimate that over 36,000 women, children and men have been displaced in recent months, most of whom are in dire need of food, water, shelter, blankets and clothes, as well as medical care. Host communities are also extremely vulnerable. These newly displaced populations report that many more families remain in areas inaccessible to humanitarian workers, and additional displacements from these areas are expected in the coming weeks.

The food security situation has slightly improved in population centres across the north-east in 2017 thanks to various factors including improved security, scale-up of food and livelihoods assistance, favourable climatic conditions for agricultural production and slight market recovery. Nonetheless, conflict continues to limit the amount of land under cultivation and the situation remains concerning in 2018, with 2.6 million currently severely food insecure and 3.7 million expected to face critical levels of food insecurity during the upcoming lean season (June through September). Without sustained assistance, the situation could quickly deteriorate.

Stages of disaster management

Disaster management is often described as a process composed of several stages, even though there is disagreement among authors as to the structure and nomenclature of the stages (Kovács and Spens 2007; 2009; Altay and Green 2006; Pettit and Beresford 2005; Van Wassenhove 2006; Lee and Zbinden 2003; Thomas 2003; Cottrill 2002; Nisha de Silva 2001; Long 1997). However, for the most part, the literature concurs on the existence of the following phases: Mitigation; Preparation;
Response and Reconstruction. The process that involves logisticians mainly concerns the preparation, response and reconstruction; together these constitute humanitarian logistics stream. The mitigation phase refers to laws and mechanisms that reduce social vulnerability. These are issues that relate to the responsibilities of governments.

The preparation phase refers to various operations that occur during the period before a disaster strikes. This phase incorporates the strategies put into place that allow the implementation of a successful operational response. This phase is crucial because it is the one in which the physical network design, information and communications technology systems, and the bases for collaboration are developed. The aim of this stage is to avoid the gravest possible consequences of a disaster. This phase also incorporates the efforts that are made between disasters in learning and adapting from past experiences so as to meet new challenges. Kovacs and Spens 2007.

The response phase refers to the various operations that are instantly implemented after a disaster occurs. This phase has two main objectives; they are consecutive and constitute two sub-phases (Cozzolino et al. 2012): • The first objective is to immediately respond by activating the ‘‘silent network’’ or ‘‘temporary networks,’’ as defined by Jahre et al. (2009); this is the immediate-response sub-phase; • The second objective is to restore in the shortest time possible the basic services and delivery of goods to the highest possible number of beneficiaries; this is the restore sub-phase. In the response stage, coordination and collaboration among all the actors involved in the humanitarian emergency deserve particular attention (Balcik et al. 2010; Kovács and Spens 2007, 2009; Maon et al. 2009; Tomasini and Van Wassenhove 2009). Connections to feasible donors, suppliers, NGOs, and other partners are made in the first phase, but they are not activated until the catastrophic event takes place. Then, all the actors involved operate as quickly as possible: at the start, speed—at any cost—is of the essence, and the first 72 hours are crucial (Van Wassenhove 2006).

The reconstruction phase refers to different operations in the aftermath of a disaster. It involves rehabilitation, and this phase aims to address the problem from a long-term perspective. The effects of a disaster can continue for a long period of time, and they have severe consequences on the affected population. In addition, disasters can also have long-term effects on the management of companies. For example, immediately after a disaster, transportation companies may undergo a modal shift from road to rail that prevails long after the occurrence of the disaster (Kovács and Spens 2007). With regard to humanitarian logistics stream, it is interesting that the transition between the stages involves the shift in focus from speed to cost reduction in terms of operational performance (Tomasini and Van Wassenhove 2009b). Each stage of the process has a specific objective that can be achieved through the application of two supply chain principles: agility and leanness (Coozolino et al. 2012).

Humanitarian AIDS commodity distribution processes

This research study focuses on the four phases of the disaster relief to ensure urgent movement of aid commodities after a disaster strikes. Based on existing protocols aid commodities assembled in the preparedness phase are rapidly moved to areas of urgent need. Such commodities are primarily concerned with protecting human life and stabilizing the economic and physical infrastructure of the affected location. This will require the collaboration and cooperation of multiple agencies—state and non-state actors to deliver aid commodities in an efficient manner, thereby reducing the delay in response time and duplication of effort. In summary, when a disaster strikes, the sequence of response follows: donations and funding are solicited from donors, quotations and later, commodity supplies are obtained from pre-qualified vendors. Sometimes the commodity supplies are obtained in advance, especially during the pre-positioning stages. The commodity supplies received from donors and commodity supplies purchased from vendors are then transported by various modal means to predetermined locations and distributed by emergency responders in the affected areas. The complexity of humanitarian logistics can be better appreciated when the distribution processes in a very tight timeline along with the administrative bottlenecks are taken into account.

The emergency responders arrive early enough at the distribution centre to organize its layout and the staff. They will begin the distribution exercise with a plan on crowd control, and provide all required information to the IDPs who have already gathered at the site. Crowd control is a key element in any distribution. Do not start a distribution until crowd control measures are in place. Ensure that
monitoring arrangements are in place. The list of beneficiaries may and may not be available depending on the extent of the disaster and the need to respond very fast.

**Factors associated with the supply and distribution of humanitarian commodities**

The factors associated with the supply and distribution of humanitarian aid commodities are: Time, security & protection, access, politics & conflict dynamics, location, previous experience of aids work, impact of crisis, culture & social organization, marginalization & discrimination, coordination, donors, human resources, mode of operation, mandate & policies and humanitarian principles.

**Humanitarian aid commodities needed by the IDPs**

In emergencies, families often flee with little more than the clothes they are wearing and consequently find themselves displaced without any personal belongings. In addition to food, they urgently need certain non-food items (NFIs) to survive, including items for shelter (tents, plastic sheeting, blankets, sleeping mats), cooking (stoves, pots, kerosene, fire wood), and health and sanitation (buckets, soap, jerry cans, sanitary cloths, mosquito nets, first aid medicines).

Conduct situational analysis immediately to identify most needed aid commodities, especially lifesaving needs and prioritize their supply to the IDPs.

**Humanitarian organizations delivering aid commodities in plateau and borno state nigeria**

There are numerous governmental, nongovernmental organizations and logistics services providers delivering humanitarian aid commodities to IDP camps in Jos Plateau state, central and Maiduguri Borno state, north east Nigeria. Some of the organizations deliver directly with their own haulage vehicles/vans while some others outsource the deliveries to third party logistics firms. The latter group may supervise the distribution at the destinations or hand over the aid commodities to the state or other non-state actors. The most visible humanitarian organizations in the locations selected for this research are: Medi Sans Frances (MSF), International Committee of the Red Cross (ICRC), International Federation of the Red Cross and Red Crescent Society (IFRCRCS), Nigeria Committee of the Red Cross (NCRC), World Food Program (WFP), OXFAM, International Organization for Migration (IOM), Danish Refugee Council (DRC), Norwegian Refugee Council (NRC), International Medical Corps (IMC), Refugee International, Catholic Relief Society (CRS), Food and Agricultural Organization (FAO), United Nations High Commission for Refugees (UNHCR), United Nations Population Fund (UNFPA), United Nations Children's Fund (UNICEF), National Emergency Agency (NEMA) and United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) (IOM Displacement Tracking, 2015). Third Party Logistics companies like Axios, MDS Logistics, DHL Courier, FEDEX Courier, FF Plus Newday ltd, AB logistics, Clearme logistics, Hanana Global Links ltd, GIG logistics, Qship ltd, Chisco Group Nigeria ltd, Ocenj logistics etc. deliver documents and aid commodities on behalf of some of these organizations.

**Theoretical framework**

This research is based on the theory of obligation in the context of humanitarianism. The foundational assumption of this theory is that there exists a moral imperative to assist the structurally dispossessed and functionally abused. It builds particularly on the cross-disciplinary work (both academic and applied) of anthropologists, but also of political scientists, sociologists, human rights specialists, and others. The links between human rights and humanitarianism are stressed, while suggesting principles that can guide humanitarian organizations as they serve those in need. Humanitarianism is defined as “crossing a boundary,” risk usually is encountered by the service provider as scarce resources are used to help the vulnerable. Obligation is defined, in part, as “what one should do.” A theory emerges as the “morally possible” and the “materially possible” intersect. Notions of human dignity are shown not to be appropriate in orienting the real-world work of humanitarians; notions of fairness are more appropriate as humanitarian work is organized and implemented. “Pragmatic humanitarianism” occurs as principled guidelines and achievable actions merge, and as non-neutral stances are taken as (for example) refugees are assisted. Humanitarian aid
is shown to be fundamentally a moral relationship based on the obligation of “those who have” to address the felt needs of “those who have not.” (Peter et al 2008).

This research focuses on moral theory at the level of the humanitarian organization. In particular, the researcher offers the theory of obligation as a moral framework suitable for organizing humanitarian assistance.

**Methodology**

**Introduction**

In order to collect primary data for this research Structured Questionnaire and Direct Observations were used as a method.

In addition, the internet, Professional Journals, articles and text books on humanitarian logistics were referred to as secondary data sources to support primary data generated in this study.

**Research design**

In this study Questionnaires were designed in such a way that they will elicit unbiased responses from the study population. The data collected were analyzed using Chi Square method as a statistical tool to provide answers for the research questions. Further observations were made of the premises and offices while the Questionnaires were been administered. The whole process was designed to help in drawing definite conclusions from the data analysis.

**Population of the study**

The study population is made up of 120 employees of National Emergency Management Agency (NEMA) and 80 employees of Humanitarian Logistic Organizations in Jos and Maiduguri. Using Fisher’s Formula, 60 members of the population were sampled for participation in this research. NEMA is the organ of the Federal Government of Nigeria that is charged with the responsibility of coordinating humanitarian responses in Nigerian emergencies. Humanitarian Logistics Organizations, local and international, collaborate with NEMA officials to supply urgently needed commodities either directly from the open market or national, zonal and state warehouses/depots (strategic reserves) to the IDPs.

**Sample and sample size**

The study sample is 60 out of the 200 study population. This sample size was arrived at using the Fisher’s Formular

Where:

\[ SS = Z^2 \times p \times (1-p) / c^2 \]

\[ Z = Z \text{ value (e.g. 1.96 for 95% confidence level)} \]
\[ p = \text{percentage picking a choice, expressed as decimal (% Prevalence) 20%} \]
\[ c = \text{confidence interval, expressed as decimal, 5% used in this research i.e. 0.2} \]
\[ \text{5% used in this research i.e. 0.05} \]
\[ SS=(0.9520.2) \times (1-0.2)/0.05^2 = (0.9025 \times 0.2) \times (0.8)/0.0025 = 0.1444/0.0025 = 57.76 = 60. \]

As shown in the above calculation the sample size for this research is 60.

**Sampling techniques**

Sampling is the process of selecting a part (i.e. sample) of the whole (i.e. population) for the purpose of a study. This study as a social survey focuses primarily on the supply and distribution of humanitarian aid commodities to selected IDP camps located in Maiduguri and Jos, Nigeria therefore the 60 participants were randomly selected from the offices of NEMA and Humanitarian Logistics Organization located in these two towns.
Data collection

In this study the primary data were collected using structured Questionnaires that respondents provide a yes or no answer while the secondary data were collected from the review of professional journals, scientific publications using internet search engines. The data were all collected at reasonable hours of the day in the office premises of NEMA and selected Humanitarian Logistics Organizations.

The questionnaire

The Questionnaire is made up of 10 structured questions. The first 2 questions concern the age and sex of the respondents (biometric data). Though these are not part of the variables under this study it enables the researcher to ensure that under aged persons are not selected as participants and that due regard is given to the gender of the participants.

Method of sample collection

A brief pre-questionnaire session was held at each selected location in Jos Plateau state and Maiduguri Borno state to explain the aim of the research to the randomly selected participants who were assured of their privacy. They were provided with the self-administered questionnaires, which they filled and were collected on the spot. In a period of 2 days in Jos Plateau state and 3 days in Maiduguri Borno state a copy each of the structured Questionnaires were distributed to each of the 60 randomly selected respondents in this study. In the Jos offices of NEMA and the Humanitarian Logistics Organizations, 20 respondents were administered the Questionnaires. 12 drawn from NEMA and 8 drawn from the Humanitarian Logistics Organizations. In the Maiduguri offices of NEMA and the Humanitarian Logistics Organizations, 40 respondents were administered the Questionnaires. 24 drawn from NEMA and 16 drawn from the Humanitarian Logistics Organizations. Observations were also made on all the premises and some operational processes on ground in the offices visited. The submitted questionnaires were checked for completeness and documented.

Data analysis, interpretation and discussion of results

1. Number of male and female respondents

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>48</td>
<td>80%</td>
</tr>
<tr>
<td>Female</td>
<td>12</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Research finding from field survey, 2017.

Table 1 shows that 80% of my respondents are males and 20% of them are females. This is a good reflection of the situation I found on the ground in the offices visited in the course of this study. There are more males than females in the ratio of 4:1, in almost all the offices visited for both state and non-state actors. This is an indication of a gender imbalance in disaster relief operation which was explained by the management that men are more disposed to work in conflict prone environment than females.

2. IDP Need assessment before commencement of operations

The researcher wants to know from the respondents if IDP’s initial need assessments were carried out before commencement of humanitarian logistics operations in Jos Plateau state and Maiduguri Borno state. The responses are as shown in table 2 below.
Table 2.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No initial need assessment for IDPs</td>
<td>48</td>
<td>80%</td>
</tr>
<tr>
<td>There is initial need assessment</td>
<td>12</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Research finding from field survey, 2017.

Table 2 shows that 80% of the respondents agreed that no initial need assessment were done for the IDPs before commencement of humanitarian logistics operations. 20% said an initial need assessment of the IDPs were conducted by both state and non-state actors. It can be inferred from this data that proper need assessment of the IDPs were not conducted before commencement of humanitarian logistics operations when disaster occurred in Jos Plateau state and Maiduguri Borno state.

3. Lack of national sustainable disaster response plan

The researcher wants to know whether a document on national sustainable disaster response plan is at the disposal of or known to the respondents in Jos Plateau state and Maiduguri Borno state. The responses are as shown in table 3 below.

Table 3.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of sustainable disaster response plans</td>
<td>54</td>
<td>90%</td>
</tr>
<tr>
<td>Availability of sustainable disaster response plans</td>
<td>6</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Research finding from field survey, 2017.

Table 3 shows that 90% of the respondents said that there was no sustainable national response plans for humanitarian logistics operations in Jos Plateau state and Maiduguri Borno state. 10% said there was a sustainable national response plan. It can therefore be inferred that there was no proper and sustainable national response plans for humanitarian logistics operations in the event of a disaster or emergency in Jos Plateau state and Maiduguri Borno state.

4. Low capacity of state and non-state actors

The researcher wants to know whether the state and non-state actors charged with the responsibility of delivering aid commodities to IDPs have the capacity to do the job. The responses are as shown in table 4 below.

Table 4.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low capacity of state and non-state actors</td>
<td>46</td>
<td>77%</td>
</tr>
<tr>
<td>Enough capacity of state &amp; non-state actors</td>
<td>14</td>
<td>23%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Research finding from field survey, 2017.

Table 4 shows that 77% of the respondents agreed that the capacity of both state and non-state actors involved in humanitarian logistics operation in Jos Plateau state and Maiduguri Borno state is low. 23% of the state and non-state actors said they have enough capacity for humanitarian logistics operations in Jos Plateau state and Maiduguri Borno state. It can be inferred here that the capacity of the state and
non-state actors need to be improved upon in order to respond quickly and adequately to the emergencies in Jos Plateau state and Maiduguri Borno state.

5. Humanitarian logistics companies not well equipped

The researcher wants to know if the humanitarian logistics organizations are well equipped for emergency aid operations in Jos Plateau state and Maiduguri Borno state. The responses are as shown in table 5 below.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanitarian logistics companies not well equipped.</td>
<td>45</td>
<td>75%</td>
</tr>
<tr>
<td>Humanitarian logistic companies are well equipped.</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Research finding from field survey, 2017.

Table 5 shows that 75% of the respondents said that humanitarian logistics companies do not have the equipment for the job of delivering aid commodities to the IDPs in Jos Plateau state and Maiduguri Borno state on time. 25% of the respondents said the humanitarian logistics companies in Jos Plateau state and Maiduguri Borno state are well equipped for the job. It can be inferred from this finding that humanitarian logistics companies in Jos Plateau state and Maiduguri Borno state Nigeria need to be well equipped in order to deliver faster and better to IDP camps in their coverage area.

Testing the hypothesis

The three Hypothesis raised for the purpose of answering the research questions were tested as outlined below.

Hypothesis one

Null Hypothesis (H0)

**H0**: Lack of sustainable disaster response plans is not responsible for the delay or untimely humanitarian aid commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>6</td>
<td>10%</td>
</tr>
<tr>
<td>NO</td>
<td>54</td>
<td>90%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Research finding from field survey, 2017.

Alternative Hypothesis (HA)

**HA**: Lack of sustainable disaster response plans is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria.

Calculations:

Assume level of significance at 0.05 in the Chi Square calculations using table 6 above.
Table 7.

<table>
<thead>
<tr>
<th>RESPONSES</th>
<th>O</th>
<th>E</th>
<th>O – E</th>
<th>(O – E)^2</th>
<th>(O – E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>6</td>
<td>30</td>
<td>-24</td>
<td>576</td>
<td>19.2</td>
</tr>
<tr>
<td>NO</td>
<td>54</td>
<td>30</td>
<td>24</td>
<td>576</td>
<td>19.2</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>60</td>
<td></td>
<td>15.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research finding from field survey 2017.

Note that Expected frequency (E) = Number of Samples/Number of Variables.
(O): Observed frequency.
Degree of Freedom: d.f = n – 1, where n = 2. Therefore, 2 – 1 = 1.
From the Chi Square Table, at 0.05 level of significance and 1 degree of freedom, we have a Chi Square value: \(X^2 = 3.84\).

The calculated Chi Square value as shown in the table above is 38.4 which is higher than 3.84 obtained from the table. Therefore the Null Hypothesis (H0): Lack of sustainable disaster response plans is not responsible for the delay or untimely humanitarian aid commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria is rejected and the Alternative Hypothesis (HA): Lack of sustainable disaster response plans is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria is accepted.

Conclusion: This implies that sustainable disaster response plans must be in place in order to avoid delay or untimely aid commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria.

Hypothesis two

Null hypothesis

H02: Lack of well-equipped and specialized humanitarian logistic companies in Jos and Maiduguri Nigeria is not responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria.

Table 8.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>15</td>
<td>25%</td>
</tr>
<tr>
<td>NO</td>
<td>45</td>
<td>75%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

Sources: Research finding from field survey, 2017.

HA2: Lack of well-equipped and specialized humanitarian logistic companies in Jos and Maiduguri Nigeria is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria.

Chi Square (\(X^2\)) calculations.

Table 9.

<table>
<thead>
<tr>
<th>RESPONSES</th>
<th>O</th>
<th>E</th>
<th>O – E</th>
<th>(O – E)^2</th>
<th>(O – E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>15</td>
<td>30</td>
<td>-15</td>
<td>225</td>
<td>7.5</td>
</tr>
<tr>
<td>NO</td>
<td>45</td>
<td>30</td>
<td>15</td>
<td>225</td>
<td>7.5</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>60</td>
<td></td>
<td>15.0</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Research finding from field survey, 2017.

The calculated Chi Square value of 15.0 in table 9 above is higher than the table value of 3.84. Therefore H02: Lack of well-equipped and specialized humanitarian logistic companies in Jos and
Maiduguri Nigeria is not responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria is rejected and HA2: Lack of well-equipped and specialized humanitarian logistic companies in Jos and Maiduguri Nigeria is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria, is accepted.

Conclusion: Specialized humanitarian logistic companies in Jos and Maiduguri Nigeria must be well equipped with latest logistic tools if they are to respond very promptly and adequately to all emergencies created by disasters.

**Hypothesis three**

**Null hypothesis (H0)**

H0: Low capacity of state and non-state actors on humanitarian logistic systems is not responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria.

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>14</td>
<td>23%</td>
</tr>
<tr>
<td>NO</td>
<td>46</td>
<td>77%</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source:** Research finding from field survey, 2017.

HA3: Low capacity of state and non-state actors on humanitarian logistic systems is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria.

Chi Square (X²) calculations.

<table>
<thead>
<tr>
<th>RESPONSES</th>
<th>O</th>
<th>E</th>
<th>O – E</th>
<th>(O – E)²</th>
<th>(O – E)²/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>14</td>
<td>30</td>
<td>-16</td>
<td>256</td>
<td>8.53</td>
</tr>
<tr>
<td>NO</td>
<td>46</td>
<td>30</td>
<td>16</td>
<td>256</td>
<td>8.53</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td></td>
<td></td>
<td>17.06</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Research finding from field survey, 2017.

The calculated Chi Square value in table 11 above is 17.06. It is higher than the table value of 3.84. Therefore the Null Hypothesis (HO): Low capacity of state and non-state actors on humanitarian logistic systems is not responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria is rejected and the Alternative Hypothesis (HA): Low capacity of state and non-state actors on humanitarian logistic systems is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos and Maiduguri Nigeria is accepted.

Conclusion: The capacities of both the state and non-state actors involved in humanitarian aid commodity logistics must be thoroughly built in order to ensure timely and proper deliveries to IDP camps in Jos and Maiduguri Nigeria.

**Summary of findings, conclusions and recommendations**

**Summary of findings**

The aim of the research study is to evaluate the supply chain management and logistics practices in the supply of humanitarian aid commodities to IDPs in Jos Plateau State and Maiduguri Borno State Nigeria, especially and by extension the whole of the country. The researcher found out during
the course of the study that majority of the respondents were familiar with supply chain and logistics processes with regard to how they are applied in their organizations commercially but lacked the technical skill, equipment and policy backup required in humanitarian logistics for effective and efficient performance. This is reflected in the observed wide knowledge gap among respondents on the differences commercial and humanitarian logistics. The state and non-state actors asked and observed in this study were using rudimentary knowledge of commercial logistics to perform pure humanitarian logistics activities by virtue of their job descriptions in the organizations. The organizations appear to erroneously assume that knowledge of commercial logistics is adequate for humanitarian logistics job. The researcher found out that these organizations spend little or nothing on capacity building, adequate equipment, strategic or sustainable planning and information gathering that will promote timely flow of information and materials in a humanitarian aid supply chain system.

The research study specifically revealed the following:

(i) IDP need assessment before commencement of operations: 80% of the 60 respondents agreed that state and non-state actors do not conduct initial need assessment of IDPs before commencing humanitarian aid commodity logistics and supply chain operations. 20% said the initial need assessment is usually conducted. The respondents that said they don’t do initial IDP needs assessment agreed that they lacked the capacity to do so while those that agreed that they are doing it said that they are using their knowledge of commercial logistics.

(ii) Lack of national sustainable disaster response plan: 90% of the 60 respondents said that a national sustainable disaster response plan on IDP needs in Jos and Maiduguri especially and Nigeria generally, is lacking. The remaining 10% said there is a sustainable response plans for IDPs in Jos Plateau state and Maiduguri Borno state Nigeria. The researcher combed available reference books/materials in the offices and the website of the organizations-state and non-state actors and found no document on sustainable humanitarian logistics plans for IDPs in Nigeria. The non-availability of this document left the organizations in their silos planning differently to carry out the same activity anytime disaster strikes. The researcher found out from most of the respondents that their work will be made easier if a clearly outlined sequence of actions exist for humanitarian logistics workers/organizations before a disaster. The researcher also found out that those respondents that claimed existence of a sustainable response plan could not lay hand on any document at the time of visit.

(iii) Low capacity of state and non-state actors: 77% of the 60 respondents in this study agreed that the capacity of state and non-state actors in humanitarian logistics is low. 23% of the respondents disagreed saying that their capacity is adequate for the job. The research found out that most employees of NEMA and humanitarian organizations did not display a clear understanding of their job roles in an emergency situation. They do not know the difference between commercial logistics and humanitarian logistics. The researcher noticed that emergency supplies are been scheduled as normal ones based on instructions from above. Most of the employees of never expressed readiness for capacity building but expressed fears that the state may not be willing to spend much money on them. The respondents that claimed to have been trained were explaining humanitarian logistics processes with the commercial logistics idea. The researcher found out that the capacities of the non-state actors were slightly better than that of their state counterpart.

(iv) Humanitarian logistics companies not well equipped: 75% of the 60 respondents in this study agreed that humanitarian logistics companies working in Jos Plateau state and Borno state Nigeria are not well equipped for the operations. 25% of the respondents disagreed saying that they are well equipped for the emergency operations. The researcher observed the offices and their environments and found no sophisticated equipment apart from the delivery vans, trolleys and weighing balances. The researcher wanted to know if there are other sophisticated equipment packed somewhere and was told none. The lack of specialized equipment the study revealed delay in delivery, poor storage and dysfunctional distribution network all these impacted negatively on the ability to deliver aid in difficult terrain.

(v) The first of the three Hypothesis were tested using the Chi Square statistical method. The Null Hypothesis that lack of sustainable disaster response plans is not responsible for the delay or untimely
commodity supply and distribution to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria was rejected based on the test. The Alternative Hypothesis which states that lack of sustainable disaster response plans is responsible for the delay or untimely commodity supply and distribution to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria was accepted.

(vi) The second Hypothesis was also tested and based on the test the Null Hypothesis that lack of well-equipped and specialized humanitarian logistic companies in Jos Plateau state and Maiduguri Borno state Nigeria is not responsible for the delay or untimely commodity supply and distribution to IDP camps in the two Nigerian states was rejected. The Alternative Hypothesis which states that lack of well-equipped and specialized humanitarian logistic companies in Jos Plateau state and Maiduguri Borno state Nigeria is responsible for the delay or untimely commodity supply and distribution to IDP camps in the two Nigerian states.

(vii) The third Hypothesis was tested and the Null Hypothesis that low capacity of state and non-state actors on humanitarian logistics is not responsible for the delay or untimely supply of humanitarian aid commodities was rejected. The Alternative Hypothesis which states that low capacity of state and non-state actors on humanitarian logistic systems is responsible for the delay or untimely commodity supply and distribution to IDP camps in Nigeria was accepted after the test.

Conclusion

The data collected and analysed by the researcher in this study revealed that the supply chain and logistics processes of delivering humanitarian aid commodities to IDP camps in Jos Plateau state and Maiduguri Borno state Nigeria need to be significantly improved upon in order to enable victims of any disaster or adversity receive aid support on time. Need assessments of the IDPs currently absent must be done as a matter of priority and of first step in any planned emergency operations. This is hardly the case at the moment in the areas covered by this study. The current practice where by emergency supplies are commenced before conducting needs assessment is affecting the effectiveness of humanitarian logistics operations. Based on the findings of this study the researcher believed that a rapid needs assessment can be carried out at the initial phase of the operations. This can be reassessed as the operation progresses. The researcher found out that the existing humanitarian logistics responses are largely reactive rather than been proactive and this does not give room for robustness in planning and execution. In the opinion of the researcher pro activity on the part of all stakeholders will ensure a detailed operational, tactical and strategic plans for humanitarian logistics services. The humanitarian logistics skills of the state and non-state employees charged with the responsibility of carrying out emergency logistics operations were found to be inadequate and this has continued to impede efficient and effective deployment of personnel, materials and equipment in humanitarian logistics operations. There cannot be better planning without the requisite skills of all employees of government and the humanitarian organizations. Though specialized and modern equipment required for emergency operations are costly procuring them will be mandatory for seamless humanitarian logistics operations. Finally, this research study showed that a well-articulated initial need assessment of the IDPs is mandatory alongside a sustainable plan of action on the humanitarian logistics systems. This is closely followed by building the capacity of the state and non-state actors and provision of equipment for humanitarian logistics companies. It can therefore be further concluded that humanitarian logistics and supply chains of commodities delivery to IDP camps in Jos Plateau state and Borno state Nigeria will improve if all the findings of this research study are put into practice.

Recommendations

The following recommendations are based on the research findings:

i. Supply of aid commodities to IDP camps in Jos Plateau State and Borno state especially and Nigeria generally must be based on initial IDP needs assessment.

ii. The state and non-state actors charged with the responsibility of planning and delivering of aid commodities to IDP camps must be properly trained before been deployed for the task. Refresher courses should also be built into the system so that emerging new skills can be acquired by the state and non-state actors.
iii. There should be a sustainable plan of action in place at all levels of humanitarian logistics operations to enable rapid and adequate responses in all emergencies. That is, all actors must proactively develop operational, tactical and strategic humanitarian aid response plans that is robust enough to absorb any form of emergencies.

iv. State of the art equipment for humanitarian logistics operations must be procured by the state and non-state actors. The Standard Operating Procedures (SOPs) for these equipment must be clearly understood and the equipment strategically positioned for rapid deployment in all emergencies.

v. Finally, the researcher strongly recommends that delivery of humanitarian aid commodities must commence immediately a disaster struck without any form of bureaucratic bottlenecks or red-tapism that usually render IDPs very vulnerable to all forms of abuses.

**Contribution to knowledge**

This study has among others added to existing knowledge on humanitarian logistics that expertise in commercial logistics does not translate to successful humanitarian aid operations. The commercial logistian hired to deliver to disaster affected area/s need to acquire unique skills on humanitarian logistics, develop a sustainable plan of action, conduct a need assessment exercise and deploy better equipment on time. This is what was lacking in most of the humanitarian logistics operations planned to deliver aids to the IDP camps in Plateau state and Borno state Nigeria. Most of the state and non-state actors misconstrued humanitarian logistics for commercial logistics and went into operations with the skills acquired from the latter. This study has therefore added a new knowledge that commercial logistics knowledge is not the same as humanitarian logistics knowledge. They are only related.

**Suggestion for future research**

In the course of conducting this research “An Evaluation of the Supply Chain Management and Logistics Strategies for Commodities Supply to Internally Displaced Persons Camps in Jos Plateau state and Borno state Nigeria.” I am of the opinion that further research be conducted in this field on the role of the private sector in effective humanitarian logistics operations, as most existing studies are still in infancy stage, there is need for empirical research to test the concepts and models of humanitarian logistics too. Another research opportunity in humanitarian logistics is in the upstream sector, because a large proportion of the existing studies has focused on the “downstream” part of the whole relief chain (e.g. last mile delivery problems). The status quo has supported hot topics such as logistics issues in disaster region, local area coordination during humanitarian relief, etc. while studies on inter modality in humanitarian logistics, fund-raising and donation management are sparse.

**References**


The Advantages and Disadvantages of Mobile Money on the Profitability of the Ghanaian Banking Industry

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Abstract

Over the years, the evolution of and use of mobile phones and other mobile devices such as tablets has offered society the opportunity to access financial services such as mobile money.

Mobile money allows one to transfer money or make payments with their mobile phone, in the comfort of their location and in a simple, fast, convenient and affordable way.

This research sought to determine the effect of the evolution of mobile money services on traditional banking in Ghana.

The article showed that mobile money is a viable tool for financial inclusion, it has improved efficiency of transactions, it has initiated some changes in traditional banking and has a generally positive impact on traditional banking in Ghana.

Keywords: Mobile Phone, Mobile Money Transfer, Financial Inclusion, Mobile Money Subscribers, Ghanaian Economy, Threats, Business Activity, Payment Systems.

Introduction

Sending or receiving money transfer is an essential activity in the daily lives of Ghanaians. However, money transfer requires an effective, affordable and reliable money transfer service which ensures that money can be deposited in one location and withdrawn in another in both urban and rural areas. Over the years, the cost of money transfer transactions performed through bank and non-bank transfer platforms has been quite expensive, especially for small amounts for both local and international transfers (Kirui, Okello, & Nyikal, 2012).

Unfortunately, the informal systems of money transfer such as individuals carrying cash in hand or sending money through local transport services to and from particular destinations makes it susceptible to highway robbery and theft. Money sent through friends and relatives sometimes never reaches its destination if squandered by the person who is supposed to deliver it. Also, money sent through courier companies as letters or parcels are liable to getting stolen, misplaced or even delivered to the wrong address (Muisyo, Alala, & Musiega, 2014).

Other challenges associated with bank and non-bank transfer platforms, include joining long queues, delays, branch network failures, insolvency of bank and transfer company branches, unreliable communication channels, among many others.

This situation has changed dramatically in the last few years with the introduction of mobile phone-based money transfer (MMT) services (Mutinda, 2014).

Garcia, (2017) defines mobile money as an electronic wallet service, available in many countries, that lets users store, send and receive money using their mobile phone. This safe and easy electronic payments platform makes Mobile Money a popular alternative to bank accounts. It can be used on both smartphones and basic feature phones. MTN Ghana advertises that mobile money is a fast, simple, convenient, secure and affordable way of transferring money, making payments and doing other transactions using a mobile phone.

Allotey (2016) reported that much has been speculated with regards to the benefits of mobile money in Ghana’s economy. Since its inception in 2009, the debate has been whether it poses a threat of business competition or is rather a symbiotic platform for the banking industry.

Upon carrying out this study, the researcher seeks to establish whether the relationship between mobile money operations and the banking industry is one that is beneficial to each other or whether the operations of mobile money have a negative effect on the growth of the banking industry.
Problem statement

MTN mobile money has achieved huge successes in Ghana owing to its wide range of socio-economic benefits, with a customer base growing at 83.05% to 13.1 million in 2015 and raking GH¢35.4 billion transactional value, according to Bank of Ghana, person-to-person transactions contribute more than 85% of total revenue generated from mobile financial services in the country (Web manager, 2016). Abbey (2016) reported that, according to a Bank of Ghana report on the mobile money sector, between 2012 and first quarter 2016, registered mobile money subscribers increased from 3.8 million to 14.6 million, while active subscribers shot up from 345,434 to 5.3 million within the period.

However, despite the advantageous nature of mobile money and how successful it has become in recent years, key stakeholders of the banking industry are of the view that, the growth of mobile money services threatens banks as well as microfinance firms. They anticipate that mobile money has potential of turning mobile network operators into pseudo banks that perform functions and provide services which are exclusive to traditional banking. Representatives of MNOs argue that, the growth of mobile money rather complements the business of traditional banks and non-bank financial institutions because it provides tools or solutions which enhance the services provided by the banking industry (Kunateh, 2015).

This study focuses on investigating the actual effect of mobile money operations on traditional banking. From this study, the researcher will ascertain whether mobile money is a rising competitor of traditional banking in the midst of an already highly competitive banking sector or an opportunity for banks to enhance their services and to reach out to the huge percentage of unbanked Ghanaians.

The banking industry in Ghana

Definition of banking

According to Hassen (2016), “banking is a business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to earn a profit”.

Boaky-Yiadom (2015) defines banks as financial intermediaries that accept deposits from surplus spending units and channel these in the form of loan products to deficit spending units in the economy. Amadeo (2016) further explains that, banking is one of the key drivers of a county’s economy. Banks provides a safety for saving excess cash called deposits. Banks lend up to 90% of the deposit received as loans. They pay less interest rate on the deposits received and charge high interest rates on loans. Banking forms part of the national payment system of a country (The World Bank, 2011).

National payment system

Lamb (2017) defines a national payment system as a configuration of institutions supported by an infrastructure of technology-driven processes and practices to facilitate commercial and financial transfers between buyers and sellers such that, a country’s payment system reflects its banking and financial history and the development of supporting communications and technology platforms. UNECA-UNCC (2011) indicate that payment systems reduce the cost and delays of exchanging goods and services and the risk of theft, counterfeit currency and lost interests thus, supporting the growth of transactions. The development of the payment system is closely related with the movement of goods, services, capital and people.

The Ghanaian payment system

The stakeholders of Ghana’s payment system are the Central bank of Ghana, the commercial banks, service providers and users of the payment system. Each stakeholder plays an important role in the system. The central bank occupies an important and unique position in the payment system as an overseer, regulator and also a participant of the system. The commercial banks participate in the system by making and receiving payments and doing same on behalf of their customers. The service providers are the printers of payment instruments and telecommunication companies who provide the infrastructural arrangements for the payment system. Notwithstanding the unique role of each stakeholder, all of them are users of the payment system, including the banking public (BOG, 2011).
Evolution of banking in Ghana

(Boakye-Yiadom 2015) narrated that, in 1957, after independence, the Bank of Ghana was established to take control over the management of the country’s currency. By 1974, many state-owned banks and Development Financial Institutions (DFI) were established to provide services which weren’t being provided by the commercial banks. Examples of DFIs included the Agricultural Development Bank, Bank for Housing and Construction, National Investment Bank, Merchant Bank, and the Social Security Bank. They made profits through deposits, support from government and foreign loans. Osakunor (2009) emphasizes that, this improvement in the banking industry and the passing of the banking law in 1989 (PNDC Law 225) enabled locally incorporated banks to operate.

Competition in the banking industry

Akuffo-Duah, (2011) shows that, in 2004, a new banking Act was introduced. It involved the elimination of secondary reserves and adjustments in the minimum capital which was increased from GHS 60 million in 2007 and to 100 million Ghana Cedis in 2013 which resulted in mergers and acquisitions of some banks. It also led to the influx of foreign banks, especially banks from Nigeria.

Boakye –Yiadom, (2015) reported that there are currently seven Nigerian banks operating in Ghana representing about 26% of the total number of banks in the country. This has produced intense competition in Ghana’s banking industry, with respect to size of deposits and the size of market share of the various banks. There are 27 universal banks operating in the country with 16 foreign-owned and 11 Ghanaian-owned, with 6 banks holding more than half of the total assets of the sector. Also, competition in the banking industry has brought about technological product or service innovations such as the introduction of automated teller machines (ATMs), e-banking, telephone banking, SMS banking etc. These technological innovations have contributed to improving services offered by banks in the country.

The mobile money industry in Ghana

The evolution of mobile money in Ghana

Ayeebor (2016) shows that mobile money businesses have begun to transform the traditional ways of transacting business and transmitting money. People are now walking with their money digitally.

It is said that many Africans do not own bank accounts. Due to this economic menace, cellular or mobile network operators developed an idea which will enable their subscribers to access a platform on their mobile phones that can easily operate like a bank account known as mobile money (Appiah-Danquah, 2014).

Monks (2017) reported that in 2007, a mobile money service named M-Pesa was launched in Kenya by Vodafone's local mobile network operator called Safaricom as a simple method of texting small payments between users. Today, there are about 30 million M-Pesa users in 10 countries and it offers a range of services which include international transfers, loans, and health provision. M-Pesa processed about 6 billion transactions in 2016 at a peak rate of 529 per second. After the success story of M-Pesa in Kenya, several mobile network operators in Africa started adopting this into their services (Appiah-Danquah, 2014).

Mobile money was first introduced in Ghana in 2009 by MTN Ghana Limited. Mobile money is now operated by four out of the six telecommunication companies (telcos) in Ghana (Quist, 2015).

Abbey (2016) reported that the penetration of mobile money in the Ghanaian economy has increased significantly in the last 4 years, since its inception in 2009. In 2016, mobile money transactions 35.4 billion Ghana Cedis; representing an increment of more than 216 percent compared to the total transaction of more than 260 million in 2015. This also represents an increase of over twenty percent (20%) of mobile money penetration in Ghana. Konutsey, (2016) shows that, the World Bank Findex data mentions Ghana as one of 13economies which had mobile financial services (MFS) penetration above 10% in 2014. However, Blay (2016) argues that according to stakeholders in the telecom and finance industries, though there is significant increment in mobile money transactions, more unbanked Ghanaians ought to be offered financial inclusion considering the fact that Ghana’s mobile money penetration of 20% is low compared to mobile money penetration in East African countries.
Benefits of mobile money in Ghana

Financial inclusion

Abbey (2016) has deduced that the surge in mobile money usage shows that, the operation of mobile money by telcos plays an important role in achieving the Bank of Ghana’s cashless economy agenda. It also ensures that millions of Ghanaians are offered financial inclusion. Also, stakeholders of the mobile money industry are of the view that the growth of mobile money will allow millions of Ghanaians, who are excluded from the formal financial system to perform financial transactions securely and reliably and at a relatively cheap cost. Selvakumar, Mathan and Sathyalakshmi (2015) define financial inclusion or inclusive financing as the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable.

Konutsey, (2016) is of the view that, mobile money is a timely technology that promises to be the key anchor towards attaining financial inclusion around the world. Ghana can boast of four telcos who provide mobile money services in Ghana with a mobile phone penetration of 115%. In the last five years, the involvement of Ghanaian adults in banking increased only marginally from 34% to 36% while access to mobile money increased from zero to 29%. As at November 2015, an average of 24million individual monthly transactions was performed through 44, 000 registered mobile money agents at a transaction value of 3.4 billion Ghana Cedis. According to the World Bank, 13% of adult Ghanaians were reported to having access to a mobile account, as compared to the Sub Saharan Africa average of 11.5% as at 2014” (World Bank, 2014; cited in Konutsey, 2016).

Convenience

Oluniyi (2009) indicates that, through the invention of mobile money, subscribers enjoy the convenience of having instant access to their money any day of the week and anytime of the day in the comfort of their place of dwelling without the need to visit the bank to join long queues to withdraw or deposit their money.

Mustapha (2016) throws light on the fact that, in Ghana most urban dwellers often send money to members of their extended family living in rural areas. Unquestionably, mobile money has helped people living in urban areas to easily transfer funds friends and relatives with ease in rural areas. Money transfer reduces the transaction costs of financial services for the poor, especially those in rural areas where bank branches may seldom exist or only exist in capital towns. Mobile money saves the cost of travel and time spent visiting the nearest town to access financial services.

Appiah – Danquah, (2014) shows that mobile money offers the ability and the flexibility to top up airtime, pay for utility bills, goods and services, purchase insurance premiums, shop online, pay of salaries etc. with one’s mobile phone.

Employment opportunity

Mustapha (2016) revealed that even those who do not own a mobile phone can transfer or receive money by patronizing the services of the authorized mobile money merchants or agents nationwide.

Lal and Sachdev (2015) show that, beyond financial inclusivity, mobile money stimulates economic growth as and serves an avenue for reducing unemployment by offering individuals the opportunity to work with service providers as registered merchants or agents for income generation.

Investment opportunity

Ghana News Agency, (2016) reported that, in 2016, the Bank of Ghana approved an innovative micro investment scheme that would enable mobile money holders to invest in Treasury bills of value as low as GHs5.00 (Five Ghana Cedis which is equivalent $1.31). This product is not limited to bank account holders; it is for holders of electronic money on the mobile money platform who could initiate the transaction on a phone.

(Donovan, 2012) confirmed that Mobile money is a cheaper way of extending traditional banking to the unbanked the mobile phone; which is a device they are already familiar with.
Possible threats of mobile money on the profitability of the banking industry in Ghana

Pseudo banking

Kunateh (2015) reported that, some stakeholders of the banking industry are of the view that, that the growth of mobile money services threatens microfinance firms and the banks as well.

Ablordepepye, (2016) reported that, the fast penetration of mobile money service is threatening the use of banks as the choice for transferring small amounts of money within the country. This is due to fact that, according to the Bank of Ghana, the total value and volume of mobile money transactions surpassed all other non-cash transactions in the year 2016, except cheques; with total float balances as at June, 2016 reaching GH¢680 million ($172 million), compared to about GH¢341 around that same time in 2015. The convenience, ease of setting up mobile money agents and the ability of the mobile phone to adapt to various systems (device agnostic) is fuelling the threat they pose to the banks.

Blay (2015) also reported that the value of mobile money transactions at the end of year 2015 was more than a third of the total deposit liabilities of the 28 banks in Ghana at the said time.

About 56 percent of banks are of the view that mobile money presents threats to the traditional ways in which the industry operates, even if these threats do not measure up to the opportunity.

Interference of the payment system

Ghana News Agency (2016) reported that, mobile money was significantly threatening the payment solutions offered by banks, particularly the bill payment and point of sale (POS) payment services. Mobile money is now used to pay for utility bills, used in store purchases and even in historically cash-based transactions such as payments for goods in local markets. Bank executives have expressed concern that if current mobile money trends continue, banks will soon command a smaller portion of the payments system in the country compared to mobile money operators.

Deposit mobilization

Ablordepepye (2016) reported that, the ability to deposit funds into one’s mobile money wallet, make withdrawals and transfers, undoubtedly turned mobile money wallets into current accounts resulting in raising the issue that mobile money is a threat their various current account products as it has diverted deposits from the traditional banking system to the various mobile money operators.

2.4.4 Innovative Services

Also, expanding product and service innovations of mobile money makes it appeal more to the general public. Mobile service started with airtime purchases and transfer of small amounts of domestic remittances. With time, the service has expanded to cover bill payments, point of sale payments (POS), fund transfers in larger amounts, receipt of deposits by some savings and loans companies, purchase of insurance premiums and mobile money credit facilities.

Blay (2015) discussed that another threat envisaged by bankers is the competition created by mobile money through offering relatively cheaper or no charges on services such as payment of bills or services offered in restaurants and items purchased in shops compared with the usage of credit or debit cards for the same services for which the customer incur substantive costs. As a result, bankers are predicting that telcos will at that point become direct competitors to banking industry instead of serving as partners and service providers to the industry.

Significant contribution of mobile money to the growth of the banking industry in Ghana

Enhancement of the multiplier effect

Konutsey (2015) explains that, with so much hard currency in circulation, Ghana is at a low advantage of benefiting from the multiplier effect of money. The multiplier effect of money and its benefits to an economy simply refers to the phenomenon that money is better traded when it is held as deposits in bank accounts rather than as currency bills in the hands of the citizenry. It is the money used to create more money and is calculated by dividing total bank deposits by the reserve requirement of the bank (Investopedia, 2017).

Konutsey (2015) further explains that, money in traded as loans and overdrafts to businesses and individuals. Upon the disbursement of a loan, the loan (money) changes hands from person to person.
The gains of the money (loan) to the economy are much enhanced in an economy where the money circulates within the banking system than where in an economy it used to transact business as physical currency bills. In simple terms, where the money (loan) is credited third party’s bank account in another bank, it) becomes ‘new money’, so to speak, a fresh deposit in the banking system. If transactions circulate within the banking system, the money goes through multipliers of new money creation and the cycle continues. By this process, some nations are able to increase the money supply of their economies alongside reducing lending rates. In an opposite scenario of the multiplier effect, the public hoards more money in currency bills thereby reducing bank reserves and the supply of money.

One key feature of the multiplier effect is that, it manifests better within an economy where the banks are willing to lend the deposits they have mobilized than to trade in exorbitant government bonds and treasury bills. Unfortunately, this is not the case in Ghana as banks in the country invest in government shares and bonds and are willing to take very little risk with regards to lending. Hence, there is low supply of money in the economy and lending rates are considerably high. It is thus obvious that, Ghana’s ability to ignite the multiplier effect in the nation’s economy is poor. This throws light on the fact that, with the increasing magnitude of the total individual monthly transactions performed yearly in the mobile money industry, the industry has the potential to grow Ghana’s economy by improving the multiplier effect of Ghana.

**Enhancement of mobilization of bank deposits**

Allotey (2016) revealed that, currently, banks in Ghana have in their circulation, over six hundred million Ghana Cedis worth mobile money deposits; representing about 30% of total banks deposits. This will not have been possible, but for mobile money transactions and the activities of mobile money providers or operators. A relevant question, thus, arises: Is Mobile money trying to access or win deposits that the banks are fighting for or does mobile money add to the banking industry’s deposit mobilisation efforts? Mobile money does not have the capacity to take over deposits from banks, but it has the ability to mop up funds sitting with the reported 70% of Ghana’s population which is unbanked and make them available to the Banks. Mobile money inevitably provides a reliable, secure, convenient and cost efficient means for banks to reach millions of Ghanaians who do not own traditional bank accounts. (Allotey, 2016)

**Enhancement of the activities of the activities of traditional banking**

Kunateh (2015) customers are now able to receive their loan disbursements into their Mobile Money wallets wherever they are and are able to make loan repayments without visiting banking halls to join long queues to just to receive disbursements.

**An avenue for achieving a cashless society**

Dowuona (2016) explains that, since Ghana does not yet have a clearly defined national cashless society strategic plan, there is no doubt that mobile money can serve as an avenue for achieving a cashless economy. A consistent and multiplier effect is one of the many benefits of a cashless economy.

**Conclusion**

Mobile money has numerous socio – economic benefits; it is used to send and receive money, top up airtime, pay utility bills, buy life insurance, pay for airline tickets, pay insurance premiums as well as pay for goods and services physically and online. Mobile money is supported by both out-moded and modern makes of phones or devices because it is designed such that, the mobile money- enabled SIM though inserted in the phone, is independent of the mobile phone. Mobile money is also safe and secure, fast, simple and does not require one to be literate to be able to perform transactions. Its transaction charges are affordable and one does not need to own a bank account to be able to access it. It can also be linked to one’s existing traditional bank account when the need arises (Klutse, 2015).

Salie (2015) indicates that in Ghana, mobile money is operated by Telecommunication Network Operators (MNOs). Four out of the six MNOs in Ghana offer mobile money services.
References


The Influence of Top Management on Market Orientation in Malawi

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Abstract

The paper investigates the prevalence of market orientation in insurance industry in Malawi. It is a well-known fact that market orientation improves business performance because all the right actions relating to the market and consumers are well thought through. This being a behaviour construct requires the top leadership to be fully involved and walk the talk in leading the organization to drive the marketing agenda.

The study aimed to find out the status of the insurance companies on market orientation while at the same time checking the influence of top leadership in the implementation of the marketing concept, a prerequisite for market orientation.

MARKOR scale for assessing market orientation was used bearing in mind that some of its constructs review the cultural angle thereby revealing employee behaviour towards their drive to live and or implement the marketing concept. Survey was conducted in one insurance company under the case study research methodology using simple random sampling. Primary data collection was complemented with qualitative in-depth interviews at the same company. Analysis was done using SPSS tool version 20.

The findings reveal that insurance companies in Malawi are market oriented. In addition, top leadership has strong influence on market orientation. Some shortfalls were identified for companies to work on to correct these shortfalls in order to achieve high-level market orientation.

Keywords: market orientation, insurance marketing, marketing concept, top leadership and market orientation, influence of top leadership, insurance sector in Malawi.

Introduction

Insurance business in Malawi is one of the least developed sectors such that awareness of insurance products is very low. Current estimates for insurance penetration is 1.4% (RBM 2016) which is amongst the lowest in the region. The business operates in the service sector of the economy which in itself, is also lowly developed. Service sector has many other sub sectors, which have a big command to the country’s GDP despite being lowly developed. This means if the sector was to be fully developed and achieved record growth, the country economic outlook could greatly improve.

Malawi is amongst the least developed country with GDP per capital of USD342.00 that is third lowest in the region (IMF 2018). This naturally presents a challenge to Malawians whose 50% of the population live below the poverty line according to June 2018 updated economic estimates (CIA 2018). The country is heavily reliant on agriculture with majority of its farming not mechanized. Peasant farming is the common mode of farming because the country is 85% rural populated (Bingu wa Muthalika 2006). There are very few commercial farming going on in the country. The risk to this is multi-faceted in that these peasant farmers have meagre resources, always lacking farm inputs thereby relying on government subsidies. They do not insure their crops yet liable to weather shocks and the same time lacks other farm inputs. Notwithstanding this, the main crop grown by these farmers is the main staple food crop, maize. Maize as a crop is vulnerable to weather patterns and always need fertilizer to perform well. In addition to this, maize can be attacked by pests and diseases which when this happens, farmers have no capacity to control such attacks. The country has for a long time in the past, operated a good network of agricultural advisory system to peasant farmers. Of late, this system has slackened such that any attack on field crops, farmers have been exposed ending up with no harvest.

Government intervention with Farm Input Subsidy Programme (FISP) produced good value at its onset but over the years, inefficiencies have caught up with the system such that it is now viewed as
being more political than the intended empowerment purpose. Being an agricultural based economy one would think that even most of the insurance business would be patronizing this farming sector. Contrary to this, insurance is meagerly represented in the sector as not many farmers mitigate their crop failure with insurances. In any case, these local farmers would not afford the required premiums to insure their crop.

Insurance sector in Malawi is mainly operating its business in general insurance, life assurance and pension business. As for general insurance, being mandatory especially some insurance lines like motor vehicle insurance, there is good business because the regulations and laws enforce it. However, companies mostly patronize life assurance and pension provision with very few individuals participating. Malawi had only 246,000 against a potential 5 to 6 million people in formal employment individuals on private insurance as of 2016 (Time Group 2017). This confirms the low patronage for insurance products in Malawi. Could it be that people are not aware of the insurance products in that insurance companies have not done much with their marketing? It is against this background that this research would like to find out and how marketing efforts can be utilized to grow insurance business especially improving penetration in Malawi.

Embracing marketing is key for the growth of any company. CIM (2015) states that marketing helps in identifying, anticipating and satisfying customer requirements profitable and is responsible for businesses to articulate their strategies properly and coordinate its implementation in a company. However, marketing department need to be well resourced if it has to implement such marketing activities. The company needs to ensure that it practices market orientation through a full implementation of the marketing concept. The marketing concept has been defined as a cornerstone for a market oriented company. This concept has three pillars central to its implementation. These are market audits, market research and marketing mix. These three tenets are crucial in a business. A business that does not carry out marketing audits would surely not know what customers are going through in using its products or services. More importantly, it also helps to uncover what competition is doing on the market. Customer reaction to the products and services on the market are determined through these marketing audits. All this helps in making sure corrective measures are taken for the products to continue to be relevant to its consumers.

The other key pillar for the marketing concept is research. Research is critical in any product development as well as innovation drive. Checking consumer trends, confirming the products or services development and testing new products and communication concepts are some of the key focus areas in research. This is done to get assurance that the product to be launched meet consumer needs. Launching a product without researching may lead to gross mistakes and failure of the product making the company lose a lot of money. Research and Development (R&D) has been a major focus in today’s world of competition. Companies invest a lot in R&D and just to mention a few. Unilever invests a lot in R&D with over 6000 people working in R&D ranging from scientist, product development managers to professionals like hairdressers (www.unilever.com). Johnson and Johnson invested 11.5% in R&D in 2013 (Fortune Magazine 2014).

Marketing mix is the last pillar in the marketing concept and it deals with the actual mix of the product that will be sold. It ensures that everything to do with the product or service is tested and ready for the market following its traditional four Ps of product, price, place and promotion. Today, these Ps have grown to seven or so just to make sure all angles of marketing mix preparation for the consumer are tested and reviewed before launching the product.

**Problem statement**

Many studies have taken place in many countries relating to market orientation. This construct is behaviour related and it is important that each country conduct such studies and in different sectors of the economy. Malawi has never done such a study in the insurance sector of the economy, although it is a well-known fact that market orientation has proved to enhance business performance. This study was carried out in the insurance industry of the service sector to bridge this gap and inform the status of market orientation in the insurance industry. Coupled with this, there is also little knowledge about the influence of top leadership on market orientation. This study apart from looking at the status of
market orientation in insurance sector of the service industry in Malawi, the leadership role in enforcing market orientation was also explored.

The insurance sector was chosen because of its low penetration in Malawi currently at 1.4%, which is lowest in the region. Through this study, some gaps could be identified that could help improve the penetration and grow the insurance industry in Malawi.

Objectives of the study

Looking at the landscape of insurance business in Malawi and its low penetration, it was important to find out why there is such a low penetration and if marketing is fully driving the insurance business in Malawi. As such, the following objectives were formed to direct the study

1. Is market orientation behaviour prevalent in Insurance companies?
2. Does top management have influence on market orientation?

Service industry in Malawi

Service industry is a critical sector in Malawi just as it is across the globe. This sector brings notable economic contribution even beyond the manufacturing sector in a general industry set up. Combined contribution of the industry in Malawi is well over 60% (Hall and Mambo 2015). Of the total industry and service contribution to Malawi’s gross domestic product (GDP) which stands at 67%. Service sector alone in Malawi takes a sizeable chunk of well over 70% contribution to value-added GDP (http://www.intracen.org). This makes the service sector very critical to Malawi and its growth would therefore bring positive impact on the economy. United Nations (2015) reports that in Africa, service industry contributes over 50% of the GDP.

Bingu wa Muthalika (2006) reports that Malawi’s leading economic activity is agriculture which employs at least 80% of the workforce as most people reside in rural areas and engage in farming. Beyond being the mainstream of the economic activities, Agriculture drives national and household food security in Malawi as most people live in rural areas. Very little is being done on insurance for agriculture sector of the economy that is even more vulnerable. With the low penetration of insurance, it can be concluded that the people in the rural areas are not covered especially on crop failure.

Agricultural activities in Malawi are mostly dependent on rainfall due to lower numbers of the commercial farmers who can afford mechanization. This means any shock in the rainfall pattern, has direct impact on the peasant farmers as they solely depend on rainfall for their agriculture. These farmers do not take any insurance for crop failure something, which commercial farmers could afford. Being peasant farmer, affordability for insurance products is always a challenge. Thus, very few can afford insurance unless taken by their other relations who are better off or working somewhere and able to assist.

Malawi can achieve growth in insurance and penetration if the entire economic spectrum is tackled especially the agricultural based economic activities. Marketing of insurance products is vital to drive its awareness and uptake. Tien and Yang (2014) observed that cross marketing is a factor that need to be taken into account in insurance growth. Growth and profitability coupled with expense ratio are key in insurance business for customers to have confidence in the insurance firm. Regardless of the size of the insurance firm, all can grow in an economy as long as they drive customer value proposition for their services and products. Tien and Yang (2014) found out that smaller life insurance attain greater growth than older ones because smaller insurance firms may enjoy higher asset growth rates in their early years of establishment.

However, with the size of the company, some may relax in their drive especially marketing activities. Murrey, Tudor and Hollman (1991) confirmed this position in their study that larger insurance firms tend not to drive the full marketing concept in their operation. Malawi has both small sized and large insurance companies and the case insurance entity used for this study is in the category of small sized insurance firm with majority of foreign ownership and has been aggressive in driving its products on the market from observation point of view. This company is ranked third on the Malawi market.

Malawi being an agriculture oriented country and much more dependent on peasant farming; there is need to harness the insurance activities with farming and ensure farmers are covered against crop failure. Hess and Syroka (2005) contend that weather shocks in an agriculture-based economy need
some insurance to mitigate weather related risks. This would not only help the farmer to hedge against the risks but in the long run, the farmer would not have all their efforts wiped away in cases of adverse weather conditions. Reinsurance may be one vehicle to manage the risks associated with weather dependent ventures (Hess and Syroka 2005). This only suggests that insurance firms need to look into how best they can package their products in order to make inroads into the farming arena. This, they could do by utilizing the pension funds or involve banks for loans with affordable interest rates. Subsidies that have been in use in the country for a while have helped mitigate production by peasant farmers but have not taken these farmers out of the vicious circle. The resultant of farm input subsidies is that it is a vicious cycle in itself such that instead of resolving and equipping farmers for the next farming season, farmers have relied on the next FISP year on year, a thing that donor communities have queried. In 1990 when FISP was removed, maize production went down meaning farmers could not sustain production without FISP and this led to its re-introduction in 1998 (Chibwana et al 2010).

Most Malawians as individuals do not take insurance products and those who are insured have mostly been by default of their company doing it as a legal requirement. The low 1.4% insurance penetration leaves most of the population without insurance. In some cases, one may conclude that this could be due to lack of income to spare for insurance or lack of knowledge about insurance product. Elsewhere, studies have found out that failure of people to adopt insurance products has partly been due to demographic factors of age, education, marital status and household income (Yusuf, Gbadamosi and Hamadu 2009).

Market orientation in Insurance companies

Market orientation as a behavioural construct that look at how employees behave in the discharge of their duties towards the market. Being a behavioural construct, it taps on people’s feelings and beliefs. Each culture may display different ways of achieving market orientation. Schalk and Gudlaugsson (2008) looks at market orientation as a form or organizational culture where employees are committed to continuously create superior customer value, or as a sequence of marketing activities that lead to better performance.

Market orientation has been assessed using scales developed by theorist Narver and Slater (1990) for MKTOR scale and Kohli, Jaworski and Kumar (1993) for MARKOR scale. Although there are other theorist that have developed different assessments of market orientation, these two scales have been used in many studies, which have validated them to produce meaningful results. Using MKTOR scale, Saini and Makolobate (2011) concluded that South African life insurance companies had market orientation prevalent in their organization contrary to what everyone thought. They also confirmed that MKTOR could be used as a diagnostic tool and or training for the employees on market orientation drive. However, of the two scales, MARKOR constructs dives more into cultural issues in its assessment. Gauzente (1999) in the study on content analysis of MKTOR and MARKOR revealed that MARKOR scale attaches more value on cultural content in its assessment than MKTOR scale. Theorists Kohli & Jaworski (1990, 1993) and Kohli, Jaworski & Kumar (1993) considered market orientation as looking into organizations wide intelligence generation for current and future needs of customers. Not only that, these theorists viewed dissemination of gathered intelligence and its responsiveness to the market and coordination within departments as critical in MARKOR scale. Gauzente (1999) further says the two scales differ on cultural consideration and recommends MARKOR if cultural behaviour assessment is intended.

Top leadership and market orientation

Anything that involve employees need to relate to the leadership of the company as well. Since market orientation is the implementation of the marketing concept, leadership is critical in driving such implementation. Not only that, leaders dictate a particular tempo in the business that would create a conducive environment for market orientation to flourish. As confirmed by many scholars, market orientation helps business achieve their growth and profit objectives. Leadership of the company is crucial in the implementation of the marketing concept and later alone ensuring that employee behaviour is right for the market orientation. Leaders in any business must lead by example. What
leaders do is what employees will follow. Walking the talk by leaders is very important and has a bearing on trust levels in any business.

While market orientation is meant to be championed by marketing department, the CEO in the company must set the pace. The CEO need to participate in all marketing activities. Only when employees see the leadership participating in activities, they feel the seriousness of the activity. Apart from directing the business with a clear vision for the future, leaders in a company must set the tone and culture that should prevail in the business. Many marketing activities require participation of top leadership because marketing drives the business and represents the customer and consumer within the business as their voice.

**Insurance in Malawi**

All businesses operation in a competitive environment. Malawi with the merge insurance penetration means even tighter competition. More marketing is happening on the market as observed by the author aimed at wooing customers to the insurance products in Malawi. Many insurance companies have adopted a door-to-door strategy to sell the insurance products to customers. Despite this effort, still more very few people in Malawi own insurance policies. RBM (2016) confirms this notion in that only 1.4% of the population have an insurance policy. Yusuf, Gbadamosi and Hamadu (2009) suggests that pushing people to buy insurance products is not the best way but being a market oriented insurer would pay more dividend as potential insurance customers would see more benefits. Most often, education in financial services and insurance products could help in aiding the uptake of the insurance products. Gaurav, Cole and Tabacman (2011) confirmed the fact that people who are educated in financial literacy and insurance are more likely to adopt insurance services especially those earmarked for peasant farmers.

Researchers according to literature (Langat et al 2015, Kaur and Gupta 2012 & Missaoui and Ali Saidi 2015) concludes that market orientation enhances performance of businesses. Therefore, companies need to strive to ensure that their businesses are market oriented. However, according to Kotler (2006), this is only possible if the marketing concept is fully implemented in the organization.

**Research methodology**

Market orientation is a behavioural construct and one needs to study the real behaviour of the organization. The research methodology adopted aimed at ensuring that such behaviour understanding is observed.

With this in mind, case study research methodology of data collection was applied in this study. There is need to understand the dynamics of the organization in reference to the marketing concept, which has been considered as the cornerstone of market orientation. Grey (2014) recommends case study methodology in such efforts to study and observe behaviour in an organization, which was the main motive of the study. In this case study methodology, both quantitative and qualitative data collection methodology were used in order to supplement each other. Other researcher recommend such mixed research methodology (Creswell and Clark, 2007 and Toomela 2008).

Greenfield (2002) defines research as an art aided by skill of enquiry, experimental design, data collection, measurement and analysis by interpretation and by presentation. There is need for guiding research question to guide the research process. Walter (2010) describes research question as the heart of research design and backs the importance of research question. For case study research, descriptive research is applied hence in this study; this was complemented by quantitative, predictive research through survey questionnaire.

**Research design**

Grey (2014) takes research design as an overarching plan for the collection, measurement and analysis of data. This, according to Grey (2014) describes the purpose of the study and kind of questions being addressed, the technics used for collecting data, approaches to sampling and analysis that will ensue. Other researchers have referred to the research design as a blue print of research activities (Shukla 2008).
Primary data collection used both fieldwork by survey through structured questionnaire and discussion guide that was open-ended administered through in-depth interview.

**Structured questionnaire and discussion guide**

This study used both structured and unstructured questionnaire to collect data. The structured questionnaire was an adaptation from MAKTOR scale developed by Kohli, Jaworski & Kumar (1993). This scale was adopted because of its concerns on cultural attributes in its assessment (Gauzente 1999). The study used MARKOR scale and not MKTOR because some researchers concluded that MKTOR does not look at cultural attributes (Gauzente 1999).

Primary data collection was also collected through in-depth interviews conducted by the researcher using the knowledge and skills gained being a marketing professional. The discussion guide being open-ended aimed at confirming and probing more on behaviour areas that were found in the quantitative survey feedback. This further allowed the researcher to look for evidence of the behaviours as provided for in the survey instrument.

**Sampling design and technique**

Using simple random sampling, a sample was selected from the population of the chosen entity in this case study research methodology. Because it is not feasible to include everyone in the study, sampling was necessary. Employees in management and supervisory positions were targeted as sampling frame. A simple random sampling was applied from the available populations. The sampling frame that consisted managers and supervisors were considered knowledgeable in matters of market orientation. Grey (2014) defines a sample as a set of individuals selected from a parent population for a research study. Though this is a case study methodology, still more it interviewed a number of employees of the selected insurance entity.

The actual population in the selected insurance company was 100 of which those in the sampling frame, thus managers and supervisors were 31 in total. Questionnaires were sent to 25 employees randomly selected and 19 of them responded to the questionnaire.

**Data collection**

For survey data collection, a 6-point Likert scale questionnaire was used to which respondents scored the option that best suited their feelings about market orientation constructs.

Carefully constructed questionnaire is the principle tool used to collect data where surveys are concerned (Gray 2014). Respondents answered the questionnaire through google application online (http://www.google.com). These questionnaires were therefore self-administered through online google generated application.

The Human Resource and Administration Manager coordinated the research within the organization. The researcher generated the link with all questions into the google survey application and sent to the coordination. The coordinator internally sent the link via email to all intended participants. Participants opened the link and responded to the questions. All responses were collated on the same google application system. This questionnaire administration was easy and kept updating in the system as participants finished the questions and submit. Researcher was able to follow the response rate as each response popped up in the researcher’s email alerting about the new response.

On the other hand, discussion guide, an open-ended questionnaire was conducted with the head of marketing. This mainly focused on evidence from responses given but also to confirm some of the documentation that were being generated while implementing the marketing concept as a prerequisite for market orientation.

**Data analysis**

Data was analyzed using SPPS version 20 (IBM 2011). Data was coded as required and variable were entered into an excel sheet before being transferred to the SPSS package to produce frequencies, means and standard deviation. The same statistical package was used to produce relationship between top management and different constructs in the MARKOR scale to check the influence of top leadership on market orientation.
In-depth interview data that was collected through discussion guide was used to ascertain behaviours as well as evidence of some market orientation parameters. The qualitative interview was therefore used as a checker of the company’s position on market orientation, as a sequential explanatory study where quantitative data is crosschecked using qualitative interviews (Creswell and Clark 2011).

Findings of the study

This section provides the findings of the study starting with the characteristics of the respondents in the company that was selected as a case study entity. Of the 25 intended participants that were selected using simple random sampling, only 19 responded to the questionnaire that represented a 76% response rate.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>POPULATION</th>
<th>SAMPLING FRAME</th>
<th>RANDOM SAMPLE</th>
<th>USED RESPONSES</th>
<th>RESPONSE RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSURANCE</td>
<td>100</td>
<td>31</td>
<td>25</td>
<td>19</td>
<td>76.0%</td>
</tr>
</tbody>
</table>

Source: Survey data

The response rate was good bearing in mind that this was a self-administered questionnaire. Other similar research studies elsewhere have achieved lower response rate. This is a good response rate mainly because the coordinator who emailed the link to participants was an internal and high-ranking manager in the organization. The decision to use an internal coordinator was appropriate and enhanced the response rate.

<table>
<thead>
<tr>
<th>DEPARTMENTS INTERVIEWED</th>
<th>INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marketing (Group and Individual Life)</td>
<td>Frequency</td>
</tr>
<tr>
<td>2. Life Administration (Group and Individual Life)</td>
<td>6</td>
</tr>
<tr>
<td>3. Finance and HR Administration</td>
<td>1</td>
</tr>
<tr>
<td>4. Information Technology (IT)</td>
<td>1</td>
</tr>
<tr>
<td>5. Corporate and General Management</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Survey data

From the outcome of the survey, all departments were represented as depicted in the table above. Both Marketing and Life administration combined had 84% representation being the largest departments in the organization. Having all department representation meant data gathered represented the views of the entire organization and therefore reliable data.
### Table 3. Experience in the Industry and Company

<table>
<thead>
<tr>
<th>INSURANCE COMPANY</th>
<th>Service in the Industry</th>
<th>Service in the Company</th>
<th>Work Station</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample size</td>
<td>Respondents</td>
<td>Less than 1 Year</td>
<td>More than 1 year</td>
</tr>
<tr>
<td>25</td>
<td>19</td>
<td>22.2%</td>
<td>22.2%</td>
</tr>
</tbody>
</table>

Source: Survey data
The survey indicate a good experience level for the respondents with over 50% with over 5 years’ experience in the insurance industry while in the company about 40% of these respondents have been working in the company for over 5 years. This was critical for the understanding of the business and therefore better articulation of the questionnaire constructs.
### Table 4. Education level of respondents

<table>
<thead>
<tr>
<th>Company</th>
<th>Population</th>
<th>Sample</th>
<th>Responses</th>
<th>Response Rate</th>
<th>Male</th>
<th>Female</th>
<th>MSCE / O Level</th>
<th>Under Graduate</th>
<th>Graduate</th>
<th>Post Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>36</td>
<td>25</td>
<td>19</td>
<td>76%</td>
<td>61.1%</td>
<td>38.9%</td>
<td>5.6%</td>
<td>66.7%</td>
<td>16.6%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

Source: Survey data
The respondents’ education revealed that 94.4% had sound education from undergraduate (Diploma, technician) level to post graduate. This meant that they could easily comprehend the constructs and respond appropriately to the survey questionnaire on their own self-administration. It was interesting to note the gender balanced at 60:40 between male and female. A good representation of gender although not balanced at 50:50 being called for by gender activists. These respondents being in the managerial and supervisory role presents another added advantage to the understanding and comprehension of the study constructs.

These being employees in such position, the researcher felt that they needed to take a position on the choice of their responses hence the use of a 6-point Likert scale questionnaire that did not provide for middle ground. Other researchers have argued against such non middle ground Likert scale but for this study, it was felt that an option needed to be reached by each respondent having worked in the organization and or industry for over 5 years.

Results and discussion

The study set forth to check if the insurance companies in Malawi are market oriented as the first objective. The second objective was to check if top management have any influence in driving market orientation.

Market orientation outcome

Through the frequencies, mean and standard deviation calculated from the data obtained, below are the outcome of each of the four constructs in the MARKOR assessment scale.

Table 5. Intelligence gathering

<table>
<thead>
<tr>
<th>INTELLIGENCE GENERATION (IG)</th>
<th>INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>IG1. In this business, we meet with customers at least once a year to find out what products or services they will need in the future</td>
<td>MEAN 4.00</td>
</tr>
<tr>
<td>IG2. I myself interact directly with customers to learn how to serve them better</td>
<td>MEAN 4.58</td>
</tr>
<tr>
<td>IG3. In this business, we do a lot of in-house market research</td>
<td>MEAN 4.05</td>
</tr>
<tr>
<td>IG4. We are slow to detect changes in our customer product preferences</td>
<td>MEAN 4.00</td>
</tr>
<tr>
<td>IG5. We conduct survey (polling) of our customers at least once a year to assess the quality of our service to them</td>
<td>MEAN 2.83</td>
</tr>
<tr>
<td>IG6. We often talk with or conduct a survey of those who can influence our customers</td>
<td>MEAN 3.53</td>
</tr>
<tr>
<td>IG7. We collect Industry information through informal means (e.g. meetings, lunch with industry friends, talk with trade partners, regulator, etc.)</td>
<td>MEAN 4.32</td>
</tr>
<tr>
<td>IG8. In our business, Intelligence for our competitors is generated independently by different departments</td>
<td>MEAN 4.32</td>
</tr>
<tr>
<td>IG9. We are slow to detect fundamental shifts in our Industry (e.g. competition, technology, regulation)</td>
<td>MEAN 4.00</td>
</tr>
<tr>
<td>IG10. We regularly review the likely effect of changes in our business environment like regulation on our customers</td>
<td>MEAN 3.89</td>
</tr>
<tr>
<td>GRAND MEAN</td>
<td>MEAN 3.95</td>
</tr>
</tbody>
</table>

Source: Survey data

Intelligence generation provide access to both current and future needs of the customer and through this construct, customer are able to provide their experience currently and what they could be looking for in the future. However, assessment of company products and service scored below average at 2.83
(SD = 1.425). This requires a lot of attention because without knowing how the company is doing is catastrophic as customers may abandon the product eventually. This parameter gives room for customers to compare with the quality they receive from other products. Their response therefore, presents the future of the product and ignoring it may lead to sales decline.

When quality of the existing products in always checked, it gives ample time to the company to relook at their offering and if it needs improvement, that should be done immediately to avoid loss of customers. Despite this shortfall, all other parameters scored above 3.00 suggesting that the company does generate intelligence information.

Table 6. Intelligence dissemination

<table>
<thead>
<tr>
<th>INTELLIGENCE DESSEMINATION (ID)</th>
<th>INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID1. A lot of informal talk in this business concerns our competitors tactics or strategies</td>
<td>4.21</td>
</tr>
<tr>
<td>ID2. We have interdepartmental meetings at least once a quarter to discuss market trends and developments</td>
<td>4.21</td>
</tr>
<tr>
<td>ID3. Marketing personnel in our business spend time discussing customers future needs with other functional departments</td>
<td>3.95</td>
</tr>
<tr>
<td>ID4. When something happens to a major customer in the market, the whole business knows about it within a short period</td>
<td>4.74</td>
</tr>
<tr>
<td>ID5. Data on customer satisfactions are disseminated to all levels of the business on a regular basis</td>
<td>3.32</td>
</tr>
<tr>
<td>ID6. There is minimal communication between Marketing and other departments (Reverse question)</td>
<td>3.05</td>
</tr>
<tr>
<td>ID7. When one department finds out something about a competitor, it is slow to alert other departments (Reverse question)</td>
<td>3.47</td>
</tr>
<tr>
<td>GRAND MEAN</td>
<td>3.85</td>
</tr>
</tbody>
</table>

The results on intelligence dissemination reveal that the company disseminates the information generated from the market. All mean scores are above the average mean score of 3.00. This suggest prevalence of the culture of dissemination for the intelligence gathered. The only worry was the level of communication between marketing and other departments, which scored 3.05 right on the average score edge. The company can do better to move away from average score level. Overall score is 3.85, which confirms information dissemination within the business. This was also confirmed through in-depth discussions with the marketing manager that designated meetings are conducted monthly mainly focusing on sharing of market information. Such forums are crucial in sharing of information and must be encouraged at all cost.

Table 7. Responsiveness

<table>
<thead>
<tr>
<th>RESPONSIVENESS ('R)</th>
<th>INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1. It takes us forever to decide how to react to our competitor price change (Reverse question)</td>
<td>2.95</td>
</tr>
<tr>
<td>R2. Principles of market segmentation drive new product development efforts in this business</td>
<td>4.79</td>
</tr>
<tr>
<td>R3. For one reason or another, we tend to ignore changes in our customer’s product or service needs(Reverse question)</td>
<td>3.53</td>
</tr>
<tr>
<td>R4. We periodically review our product development efforts to ensure that they are in line with what customers want</td>
<td>4.21</td>
</tr>
</tbody>
</table>
Responsiveness also achieved a grand mean score of 3.72 well above the average score suggesting that the company responds to the demands of the market. Whatever comes through from the market is responded to accordingly. Responsiveness is vital otherwise; all the efforts taken on generating intelligence information and dissemination would be wasted if the company was not responding to the market demands. All the same, two parameters scored below average and these need pushing to ensure this entire construct provide the necessary feedback as desired. Customer complaint seem to take longer to resolve as the score was 2.85 (SD = 1.5). Another low score was time taken to respond to competitor price change having achieved 2.95 (SD = 1.682). Both of these two parameters are critical to this construct and must be reviewed and acted on. In-depth interviews revealed that although dissemination meetings take place, the actual documentation and follow up is rather slow, thus affecting the responsiveness of the company. Management need to enforce the culture of documenting all agree actions and follow up in the next meeting to ensure those tasked to take actions have done so.

### Table 8. Inter-functional coordination

<table>
<thead>
<tr>
<th>INTERFUNCTIONAL COORDINATION (IC)</th>
<th>INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC1. Every worker knows his/her competencies</td>
<td>4.21 0.976</td>
</tr>
<tr>
<td>IC2. Every worker knows his/her responsibilities</td>
<td>4.32 1.157</td>
</tr>
<tr>
<td>IC3. Every worker is aware of the main objectives of the business and knows how to contribute</td>
<td>4.26 0.991</td>
</tr>
<tr>
<td>IC4. We get employees comments, analyze them and give feedback</td>
<td>3.79 1.228</td>
</tr>
<tr>
<td>IC5. We regularly hold meetings with all employees where we discuss business challenges and success. Inform of new opportunities, threats and set new tasks</td>
<td>3.68 1.376</td>
</tr>
<tr>
<td>IC6. We take a positive approach to innovation</td>
<td>4.05 1.224</td>
</tr>
<tr>
<td>IC7. We prefer team working and mutual cooperation between departments</td>
<td>4.53 1.172</td>
</tr>
<tr>
<td>IC8. Managers in various sections do not express their opinion to the created plan</td>
<td>2.95 1.471</td>
</tr>
</tbody>
</table>
This business enforces team working such that we have cross functions teams within the business on various project.

**GRAND MEAN**

<table>
<thead>
<tr>
<th>IC9. This business enforces team working such that we have cross functions teams within the business on various project</th>
<th>4.42</th>
<th>0.902</th>
</tr>
</thead>
</table>

Results reveal a high level of the market orientation for this construct with a grand mean score of 4.02. Out of all the parameters, only one scored below the mean. Expression of opinion by managers to the created plan scored 2.95 (SD = 1.471). Managers need to own the process and their opinion is crucial in understanding the entire business plan. It would appear the business plan is forced on them instead of involving them or doing bottom up approach. The company is encouraged to involve everyone in the creation of the business plan. When the plan is adopted, it must be cascaded to all employees for their buy in for implementation to be smooth. Apart from this, all other eight parameters scored above average.

**Table 9. Top management influence**

<table>
<thead>
<tr>
<th>TOP MANAGEMENT INVOLVEMENT (TO)</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>TO1. Our top management briefs the organization about its goals and direction</td>
<td>4.79</td>
<td>0.787</td>
</tr>
<tr>
<td>TO2. Our top managers in every function take time to visit our customers both current and prospective</td>
<td>3.89</td>
<td>1.243</td>
</tr>
<tr>
<td>TO3. Our top management takes in the views of other staff where possible when suggestions are made</td>
<td>4.00</td>
<td>1.106</td>
</tr>
<tr>
<td>TO4. Our top management take risks especially on new ideas or innovations</td>
<td>4.16</td>
<td>1.425</td>
</tr>
<tr>
<td><strong>GRAND MEAN</strong></td>
<td><strong>4.21</strong></td>
<td><strong>1.14</strong></td>
</tr>
</tbody>
</table>

Source: Survey data

Top management is crucial in the implementation of the marketing concept thereby achieving the market orientation. The results reveal a full involvement of the top management team in making the environment conducive to the thriving of market orientation. An overall mean score of 4.21 testifies to their involvement in the drive for market orientation.

**Table 10. MARKOR overall mean score**

<table>
<thead>
<tr>
<th>MARKOR SCALE</th>
<th>Grand Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance</strong></td>
<td></td>
</tr>
<tr>
<td>Intelligence Gathering</td>
<td>3.95</td>
</tr>
<tr>
<td>Intelligence Dissemination</td>
<td>3.85</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>3.72</td>
</tr>
<tr>
<td>Inter-Functional Coordination</td>
<td>4.02</td>
</tr>
<tr>
<td>OVERALL GRAND MEAN</td>
<td><strong>3.89</strong></td>
</tr>
</tbody>
</table>

Source: Survey data

The table provide evidence that the insurance company used in this study case is market oriented as all its construct scored above average level of 3.00. The visual presentation in graph 1 below makes it clear that all the costructs scored above the average level of market orientation.
Overall outcome for MARKOR assessment confirmed that the Insurance company studies is market oriented with all the four construct scoring mean above average level of 3.00. Overall grand mean for the entire four construct achieved 3.89 well above average meaning that the company does exhibit the market orientation behaviour. Although responsiveness was lowest amongst the construct, it still scored above the average mean score.

**Top management influence**

The t-test was used to test the influence of top management on each of the four constructs regarding the market orientation behaviour. The results of which are displayed below.

Top management against intelligence generation
**Table 11. Top management influence on market orientation**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>Variance</th>
<th>Observations</th>
<th>Df</th>
<th>t Stat</th>
<th>P (T&lt;=t) one-tail</th>
<th>t Critical one-tail</th>
<th>P (T&lt;=t) two-tail</th>
<th>t Critical two-tail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Leadership</td>
<td>4.21</td>
<td>0.162</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intelligence Generation</td>
<td>3.95</td>
<td>0.236</td>
<td>10</td>
<td>7</td>
<td>1.020</td>
<td>0.171</td>
<td>1.895</td>
<td>0.342</td>
<td>2.365</td>
</tr>
<tr>
<td>Intelligence dissemination</td>
<td>3.85</td>
<td>0.354</td>
<td>7</td>
<td>9</td>
<td>1.193</td>
<td>0.132</td>
<td>1.833</td>
<td>0.263</td>
<td>2.262</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>3.72</td>
<td>0.289</td>
<td>13</td>
<td>7</td>
<td>1.960</td>
<td>0.045</td>
<td>1.895</td>
<td>0.091</td>
<td>2.365</td>
</tr>
<tr>
<td>Interfunctional coordination</td>
<td>4.49</td>
<td>0.006</td>
<td>4</td>
<td>3</td>
<td>-1.353</td>
<td>0.135</td>
<td>2.353</td>
<td>0.269</td>
<td>3.182</td>
</tr>
</tbody>
</table>

Df = degree of freedom, Hypothesized mean = 0

Source: survey data

- H0 Top Management has no influence on market orientation
- H1: Top Management has an influence on market orientation
From the above data, all P values were significant with 0.34, 0.26, 0.091 and 0.27 for Intelligence generation, Intelligence dissemination, Responsiveness and Inter-functional coordination respectively thus rejecting the null hypothesis that Top leadership has no influence on market orientation. Therefore, we accept the alternative hypothesis that top management showed significant influence on each of the constructs of MARKOR scale.

It can be concluded that Top leadership has strong influence on market orientation in MARKOR assessment instrument. All P values are significant at 95% level of confidence.

Overall, Top management according to the results above seem to have impactful influence on the way employees behave and discharge their duties that has been able to make the company market oriented. This suggests that leadership influence has a role on market orientation.

In conclusion, Top leadership revealed significant influence on the market orientation drive in a business. Naturally, if a company exhibits such behaviour, it should follow that the leadership takes keen interest to encourage the company to do so. Not only does the leadership encourage such behaviour but that they also must walk the talk for employees to follow effectively.

Conclusion

From the results discussed above, it has revealed that the insurance company practices market orientation with MARKOR scale scoring with grand mean 3.89. While this is so, there are still a few parameters that need to be reviewed and action taken to move the orientation to high level. Out of the Likert scale of 1 to 6, there is more room for improvement on the score to get the market orientation level much better not just above average.

Top leadership influence on market orientation came out positive in that each of the four constructs were impacted positively by top management. Market orientation being a behaviour construct, relies a lot on the behavior and therefore the environment prevailing in the company. It has come out clear that top leadership are fully involved in driving market orientation behaviour as they take part in most of these parameters. Walking the talk leaders should always do to ensure the followers follow.

Recommendation

Using MARKOR scale assessment, the company revealed market orientation above average. To achieve higher-level orientation which every business desires, would mean making good some of the parameters that dropped down the scores. There is need to improve in such parameters which scored below average. Furthermore, those parameters that scored within average need to be enhanced to get to high-level scores of above 4.00 mean score. The company needs to look at all these and come up with an action plan on how to improve such scores.

Top leadership involvement showed positive result. However, it rests on the same leaders to ensure the company moves to high-level market orientation through more involvement and enforcing actions where the company fell short.

Study limitations

In the process of gathering information for this study, a number of limitations need to be borne in mind for future research and or usage of the results. Primarily, the research adopted a case study methodology where only one entity was involved in the study, thus an insurance company. More companies could have been used but due to budgetary limitations, that was not possible. However, literature recommends case study methodology but using more entities would add more value.

Sample size was low as only 25 respondents were targeted out of which 19 responded to the survey questionnaire. More sample could be used in larger insurance firms. This was another genuine limitation. Solace was there though that in-depth interview complemented the data collection. For case study methodology, the researcher needed to observe some behaviours and review some of the documentation. This makes the finding somewhat valid and reliable because observation through qualitative data collection was also applied.

Geographical spread yet present another limitation. The researcher used an insurance company that was based on Blantyre where the researcher is based too. Such decision was made for ease of contacts.
Use of a 6-point Likert scale could have been another limitation, as it did not provide middle ground for respondents who may not have a position to make.

Lastly, the survey was self-administered and that meant respondents used own interpretation with no reference for further understanding where in doubt.

However, despite the above listed limitations, the results add to the body of knowledge that insurance companies in Malawi are market oriented and that both top leadership and HR policies have positive impact in influencing market orientation.

Acknowledgement

With great appreciation, I would like to thank Vanguard Life Assurance Company for allowing this study to be conducted at their company. Their Head of Administration and Human Resource ably coordinated the survey questionnaire for the staff to access the link and complete the questionnaire. My in-depth discussion with Marketing Manager provided more insight and confirmation of some behaviours while also cross checking some documentation critical in marketing concept implementation.

References

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Increasing Human Security to Disaster Risk Targeting Vulnerable Communities in the North of Haiti

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Introduction

To date, much of the work on human security has focused on threats emerging from war and conflict. Disasters have largely been overlooked, despite being now identified by the international community as a major threat to human security. They cause many of the same problems as conflict - such as large scale destruction and extensive displacement and contribute to Human Rights violations and heightened vulnerability, especially of the most marginalized groups and individuals.

Haiti is one of the most vulnerable countries to disasters in the world and the North Department is one of the most disaster prone areas in Haiti. In such a highly disaster prone country, preparedness and risk reduction are critical components of human security.

From 1909 to 2013, Haiti has faced over 100 disasters primarily caused by hydro-meteorological hazards of which 30 cyclones, 47 extensive floods, 7 droughts and 2 earthquakes. Cyclones, landslides and droughts are the phenomena that most impact the agricultural sector, which represents the most important source of income for Haitian households. Since 1963, approximately 240,000 people have been killed and over 9,000,000 people have been affected by disasters in the country.

Haiti has in recent years experienced rampant urbanization, at a rate of approximately 3.9% per year since 2001. Haitian urban development has been characterized by anarchic occupation of high-risk areas and the lack of application of building codes, aggravating environmental degradation and human insecurity. The January 12, 2010 fatal earthquake was a sharp reminder of the country’s extreme vulnerability to seismic risk.

The effects of disasters and lack of appropriate protection mechanisms have a significant impact on pre-existing vulnerabilities, which are exacerbated if the needs of the most affected individuals cannot be met.

There is also a clear link between disasters and food insecurity. In 2012, the prevalence of food insecurity was up to 43% in the rural areas that had been affected by Cyclone Sandy; the next year the rate had diminished to 27%. Food insecurity is more relevant in rural areas (12, 9%) than in urban areas (8, 3%).

Among the 10 departments of Haiti, the North Department is one of the most disaster prone areas in Haiti. Due to its proximity to the "Septentrionale" fault, earthquake risk is highly elevated. More than 73% of the municipalities are at risk of flooding, 36% at risk of landslides, and 21% at risk of tsunami.

The high population density in urban and peri-urban areas is an exacerbating factor of the environmental insecurity, especially of the poorest communities. The absence of a risk-sensitive urbanization plan is an environmental factor that must be addressed. Moreover, the unplanned urbanization has led to the creation of urban areas that have no access to basic infrastructure and public services, increasing the health insecurity of individuals.

Epidemics in general, specifically cholera and malaria, see increasing peaks during the rainy seasons especially as a result of the absence of infrastructures, lack of household latrines, and weak awareness around the behavioral preventive measures. The most vulnerable municipalities are Bas Limbe, Acul du Nord, Limonade and Plaine du Nord. Throughout the department, 31% of the population has no access to potable water and adequate sanitation infrastructures.

Rationale

Since the creation in 2001 of the National System for Disaster Risk Management (SNGRD), Haiti has made significant progress in increasing its capacity to prepare for and manage the impact of
disasters especially on the environmental and economic security. However, millions of Haitians are still face high degrees of insecurity due to disaster risk — significant efforts are still required to strengthen capacities to prepare for and recover from disasters. In such a highly disaster prone country, preparedness and risk reduction need to be a priority in order to increase human security.

An assessment based on past experiences and consultations with key stakeholders including the United Nations methodology of Gender Impact Assessment have demonstrated the need to strengthen overall capacities in relation to risk monitoring and assessment, preparedness and response, risk reduction and mitigation, especially at community levels in order to address specific insecurities. Such efforts must be conducted whilst empowering the most vulnerable communities and ensuring appropriate institutional capacities to protect. An adequate response to these needs will build the resilience of individuals that are most insecure to disaster hazards, thereby ensuring that communities will reduce their exposition to disaster risks and recover from sudden shocks.

The institutional coordination mechanisms, that bring together all disaster risk reduction actors (line ministries, UN agencies, NGOs, private sector and civil society), have made significant progress in recent years. However, these coordination mechanisms often lack the technical and financial capacities to appropriately address the needs of the most vulnerable individuals in a holistic manner. This impedes the implementation of adequate strategies to improve the identification and monitoring of risks, define preparedness and response strategies to disasters in a participatory and representative way, while establishing urban planning and risk mitigation initiatives that reflect the specificities of the insecurities of the population.

Moreover, the communities are often not consulted when identifying risks or developing and implementing disaster risk reduction strategies. A genuine prospect of sustainable development and human security can only be achieved if communities are empowered to take on an active role in managing risks and government institutions commit to offering protection for the most vulnerable.

This project was planned to secure community ownership by the most vulnerable communities with a particular focus on women, children and youth - in the North department, thereby addressing the specific insecurities they hold. As such, the project bring together UN agencies, local authorities and local communities through the partnership with UNESCO and Oxfam who have extensive expertise in the North Department and have been working with local communities in this domain.

The Government of Haiti and the United Nations have been engaged since April 2013 in the Political Champions Group for Disaster Resilience initiative. It defined a new approach in addressing disaster risk, by building the resilience of vulnerable populations to disasters through a coordinated and cross-sector integrated program that addresses major insecurities (social, environmental and economic) that exacerbate the effects of disasters. The initiative is focused on three pilot departments exposed to natural hazards, among which the North department.

In February 2014, the Political Champions Group for Disaster Resilience in Haiti (including government line ministries, UN agencies, NGOs and civil society) conducted technical missions in the pilot departments in view of developing specific investment programs to strengthen the resilience of communities to disasters. The project addresses a number of priorities identified in the investment program for the North department, thereby contributing to the advancement of the disaster resilience agenda in Haiti, with an emphasis on improving human security in a holistic manner.

Moreover, all partners engaged in this project have a thorough understanding and experience in matters related to disaster risk reduction, disaster risk management, and overall reinforcement of human security in relation to disasters in Haiti and in the North Department.

This initiatives integrate elements of on-going projects – and therefore co-funding- such as the project for Seismic Risk Reduction in the Great North of Haiti (UNDP 2011-2015), Supporting Disaster Resilience in the Highly Vulnerable Northern Department of Haiti (UNDP 2015 -2017), Reinforcement of the decentralized National System of Disaster Risk Reduction (UNDP /French Red Cross 2014-2017), and Project DIPECHO Tsunamis in the island of Hispaniola (UNESCO 2012-2014).

The profound expertise of OXFAM and UNESCO with regards to reinforcing the leadership role of women, children and youth allowed this project to address the specific insecurities of the most vulnerable groups, which are often not taken into account.

Human security is meant to entail “freedom from fear” and “freedom from want,” a situation in which
people can live their lives with dignity. To date, much of the work on human security has focused on threats emerging from war and conflict. Disasters have largely been overlooked, despite being now identified by the international community as a major threat to human security. This reflects the evidence that disasters cause many of the same problems as conflict such as destruction on a large scale, extensive displacement, violation of Human Rights, and heightened vulnerability in particular those who belong to marginalized groups.

Disasters are almost always the result of both natural phenomena and human action. Nowadays, due to climate change and its impact on the environment, disasters are occurring with increasing frequency and intensity. When disasters - such as a drought, flood, earthquake and tsunami strike people’s livelihoods and ability to continue with day-to-day life are affected, whether directly or indirectly. Disasters exacerbate the underlying social, economic, political and environment insecurities, stalling economic and social progress with results on the human security of those most vulnerable and leading to a reduction in the protection and empowerment of this group.

Due to gender dynamics in the communities, women are the most affected by disasters because they affect their financial autonomy, increase their work load, expose them to violence and sexual abuse. There is increasing evidence that pre-existing social, economic, political and environmental conditions determine the impact of disasters. Their roles are rarely taken into account and valorized during risk analysis and preparedness.

In light of the major vulnerability of the communities of the North department of Haiti to disasters, the project intended to address in a holistic matter all aspects that can contribute in strengthening the security of the most exposed individuals. The North department is the most appropriate to promote the Human Security approach, due to the presence of ongoing programs implemented by the UNDP, UNESCO and OXFAM and the limited empowerment and participation of the most vulnerable communities with regards to disaster risk management measures. In line with the Human Security methodology and the “Protection and Empowerment” framework, the envisaged initiatives focus on promoting an approach in which the individuals are not only beneficiaries, but real actors of change. Moreover, the project contributed to the reinforcement of the institutional structures that have the responsibility of protecting their citizens and allowing them to appropriately carry out their daily lives without being subjected to unexpected shocks that chronically endanger the integrity of their lives and livelihoods.

The nature of the constituted partnership for the development of the project is representative of the various aspects that needed to be taken into account in order to ensure human security in relation to disasters. After having carried an in-depth analysis of the human insecurities related to disasters, including the United Nations methodology of Gender Impact Assessment, all partners have underlined the necessity to include actors at all levels and of different expertise in order to ensure that all actions are complementary and contribute to the achievement of the intended result.

The Human Security approach is an exemplary method to address chronic vulnerabilities to disasters and shed light on those specific insecurities that entail a chronic weakness of the lives and development of the most fragile communities. Moreover, the funding of the project gave the opportunity to various UN agencies to approach the communities in a more direct way and not focus the entirety of their efforts on the institutional mechanisms which often do not reflect the difficulties encountered by the most disadvantaged populations in particular women, children and youth.

For this reason, the project contains elements, such as the development of a study on the benefits of the Human Security approach in humanitarian and development programs in Haiti to strengthen disaster resilience. This approach was promoted within the UN System and the international community in general while advocating for the adoption of this method among governmental counterparts.

Objectives and outputs

Objective 1. The human security of vulnerable communities is improved through an increased participation in the construction of knowledge of disaster-related insecurities and their integration in disaster risk management strategies, at the local, municipal and departmental level.

It is noteworthy that communities at risk are very often aware of the risks they face. Less frequent
hazards as earthquakes and tsunamis may be less known and need to be integrated in a multi-hazard approach. The main objective of enhancing risk knowledge is to understand social representations that are being shaped and influence decision-making and behavior change. It is important to integrate communities in the study and analysis of natural hazards and vulnerability.

Understanding the interaction of hazards, exposure and vulnerability is crucial to effective disaster prevention and resilience. Multi-risk assessments are therefore fundamental to help provide access to analysis and information on risk and vulnerability factors associated with disasters.

The initiatives was carried out through the direct participation of the chronically affected communities that provided detailed and disaggregated data in order to allow the developed assessments to appropriately reflect the specific insecurities that prevail in the target area.

**Output 1.1.** Knowledge on disaster risks is increased among local, municipal and departmental stakeholders, including the specific impact according to gender.

- Developed and disseminated an integrated multi-risk assessment (earthquake, tsunami, marine submersion, flood, land slide, rock falling, debris flow, and storm) for the North department, combining technical and participatory approaches.
- Conducted an assessment of the human, socio-economic and environmental issues of the target area, with a focus on specific vulnerabilities related to gender;
- Conducted evaluation of three main critical infrastructures of the target area;
- Developed Risk Prevention Plans for targeted municipalities on the basis of the Departmental Risk Assessment and the identified human, socio-economic and environmental vulnerabilities of the target area;
- Strengthened the capacities of local authorities to consider the findings and adopt the recommendations of the multi-risk assessment, through a combined technical and participatory approach.
- Disseminated, communicated and raised awareness on the findings and recommendations of the integrated departmental multi-risk assessment Risk Prevention Plans, at the local, municipal and departmental level with a particular emphasis on empowering people with specific vulnerabilities (including women, girls and those with disabilities).

**Objective 2.** The insecurities towards disasters of the most vulnerable communities are addressed holistically by the main disaster risk reduction stakeholders at all levels.

The departmental and local coordination mechanisms, which focus on disaster preparation and response, do not always have the necessary means to ensure an active coordination with other stakeholders. This causes the initiatives to not take into consideration other long-term aspects, such as a disaster risk reduction, risk mitigation and disaster resilience. Through the project, the formal coordination mechanisms improved the outreach and inclusion of non-governmental actors (NGOs, community based organizations and the private sector) in view of integrating in a holistic way the insecurities of the most vulnerable populations in the disaster risk reduction and management strategies. The initiatives, thanks to its people-centered approach and case studies, lessons learned and testimonies provided new insights on the value of the human security approach in relation to disaster resilience. Through the development of a foreseen study, an advocacy strategy to integrate the human security concept in disaster risk reduction and management approaches implemented towards all relevant stakeholders, at all levels.

**Output 2.1.** Specific insecurities of vulnerable communities are addressed through the strengthening of cross-sector coordination and operation of disaster risk management stakeholders, at the community, municipal and departmental level.

- Strengthened the capacities of cross-sector disaster risk management coordination bodies in addressing human securities, at the community, municipal and departmental level;
- Strengthened operational capacities of the local committee of the Haitian Directorate of Civil Protection with a focus on protection of the most vulnerable.

**Output 2.2.** A human security approach, with an emphasis on protecting the most vulnerable, is adopted in disaster risk management programs of key civil society, government, and international actors.

- Conducted a study on the benefits of approaches that promote human security in disaster resilience.
programs in Haiti, on the basis of this innovative project and in view of broadening its impact;

- Promoted and advocated for the holistic integration of specific insecurities of communities that are vulnerable to disasters in disaster risk management interventions (e.g. in the education system), including the protection role of government institutions;
- Strengthened the capacities of the Ministry of Status and Rights of Women, for a greater involvement in disaster risk reduction initiatives with a human security approach.

**Objective 3.** Insecurities are addressed by the targeted communities through their empowerment and participation in decision-making processes and development of disaster risk reduction strategies.

Through this project the empowerment targeted vulnerable people was reinforce and manage context-specific and culturally-adapted multi-hazard disaster risk reduction strategies, including Community Action Plans and Community-based Early Warning Systems (CEWS). The implementation of such strategies was a complex endeavor, demanding multi-sectoral approaches and needed to be anchored in a protective structure implemented by the State. In this sense, the Community Action Plans and especially the CEWS should be linked and provide feedback to the central and departmental level.

**Output 3.1.** Relevant technical capacities are acquired by community-based organizations to further their leadership in designing and implementing disaster risk management activities.


- Provided support to communities for the implementation of Community Action Plans;
- Conducted an inventory on good practices on disaster preparedness and response at the community level, and render them accessible to a broader audience;
- Provided training and support for the development and implementation of community early warning systems linked to departmental-level systems, through a participatory approach and a particular focus on women and youth.

**Output 3.2.** The organizational capacities of civil society organizations and government structures at the local level are strengthened to further the empowerment of communities in disaster risk management.

- Strengthened the capacities of volunteers and other community-level structures, with a focus on protection of the most vulnerable;
- Promoted partnerships and integrate local women’s organizations and network with existing disaster management mechanisms.

**Output 3.3.** The extended school community has a reinforced capacity to address its insecurities and implement tailored disaster prevention and management protocols.

- Conducted trainings and support to teachers and schools inspectors for the development and implementation of tailored protocols for disaster risk prevention and management;
- Conducted trainings and awareness raising initiatives towards teachers, school inspectors, pupils and parents in disaster preparedness and response, through the participation of all stakeholders.

**Output 3.4.** Women and youth are empowered to address their insecurities through a greater participation in the design and implementation of disaster risk management strategies.

- Conducted training and awareness raising activities targeting women, youth, and men to increase the participation of women and youth in the design and implementation of disaster risk reduction activities.
- Support gender mainstreaming in the development and implementation of community early warning systems.

**Objective 4.** The human security of targeted communities is increased through the reduction of their exposure to natural hazards.

**Output 4.1.** Communities are empowered to collectively design and implement measures to mitigate risks posed by natural hazards.

- Provided technical expertise and resources to community-based organizations for the design and implementation of small-scale disaster risk mitigation projects.
Target area

The project targeted the communities of the vulnerable urban corridor from Cap Haitian to Limonade in the North department of Haiti. The choice of the North department was in line with the strategy defined by the Government of Haiti as part of their leadership of the Political Champions Group for Disaster Resilience initiative.

The exact number of direct beneficiaries is difficult to express at this stage because the communities that were directly benefit from the project was determined through the development of the departmental risk assessment and the assessment of the human, socio-economic and environmental issues with a focus on specific vulnerabilities related to gender both foreseen in the project.

However, it is safe to say that the entirety of the population of the North department was indirectly benefit from the implementation of this initiatives, especially from those related to the reinforcement of the formal coordination structures, the multi-risk assessment, and public education and awareness raising initiatives:

- Cap Haitian – 155,000 people
- Petite Anse- 89,000 people
- Limonade - 14,000 people
- Coast of de Limonade – 1,000 people
- Commune of Quartier Morin – 3,500 people (urban) + 21,000 (rural sections)

In order to address the assessed gaps in the most appropriate and sustainable way, the global goal of the project was to increase the human security of targeted communities that are vulnerable to disasters in the Cap Haitian- Limonade corridor, with a particular attention to women, children and youth.

Methodology

The project was developed following the evaluation tools provided by the Human Security Unit, in particular “Designing a human security program/project”. The implementing partners (UNDP, UNESCO, and OXFAM) participated in specific exercises to identify the human insecurities in the North Department and decide what changes needed to be obtained through the project.

In particular, the elements included in the project were developed in a two phase process:
1. Secondary data: analysis of lessons learned from current projects.
2. Primary data: identification of disaster risk reduction needs through specific exercises and in-field consultations, meetings with the representatives of the Departmental Committee of Civil Protection, Gender Ministry, other stakeholders and community-based organizations in the target areas. A workshop was organized mainly with civil society organizations in order to identify the current needs on disaster risk reduction from a human security perspective.

These consultations allowed the proposal team to consult various levels and triangulate data on insecurities faced by the target population. This process led to an adequate identification of the needs to be addressed and of the most appropriate actions to undertake.

The project has obtained official validation of the Haitian Directorate of Civil Protection, which is the main governmental counter-part for the implementation of the initiatives.

Implementation

The UN agencies involved in the project have a tremendous amount of experience to support changes in matters related to Disaster Risk Reduction Management in the North Department of Haiti. Moreover, each agency is an active participant of the Political Champions Initiative and therefore thoroughly involved in reducing insecurity of the most vulnerable populations through a holistic approach that addresses all insecurities that threaten the integrity of the most exposed individuals.

To achieve the goals, the existing partnerships of the implementing agencies was reinforced with all relevant stakeholders, in particular the decentralized government instances such as the Directorate of Civil Protection and the Departmental Committee of Disaster Risk Reduction and the community-based organizations in order to ensure the “protection-empowerment” approach throughout all phases of implementation.

To guarantee an appropriate outreach and active engagement of the local communities, the UN
Agencies selected an experienced and geographically well-established partner to translate all actions at local and community levels and guarantee the envisaged impact on the human security of the targeted populations.

To do so, the UN agencies decided to partner with OXFAM, an International NGO that has been involved for more than a decade in community disaster risk reduction in the North Department. OXFAM works closely at local and community levels with Community Based Organizations, local NGOs and local authorities to empower them, and most importantly, to add in their agenda the gender equity topic. OXFAM worked to support those actors, men and women, to be able to take part in the decision processes and influence the leaders, authorities to make strong decisions in order to change their lives.

**Sustainability and conclusions**

The “protection-empowerment” framework that was implemented through the project guaranteed the sustainability of the achieved results through time. The implementation of such framework allowed to strengthen the capacities of the targeted communities to understand and act upon their vulnerabilities. The communities, which are often mere beneficiaries, was the main actors of change.

Moreover, in order to ensure an environment which allows the communities to develop and grow as active citizens, the initiatives also targeted the formal and institutional protection mechanisms that guaranteed an adequate consideration and assistance of the most vulnerable, before, during and after a crisis. The coordination structures that was reinforced through this project enable the continuous revision, test and improvement of the methodologies and processes developed.

The particular focus given to women, youth and children strengthened the acknowledgement of the central role of these specific groups in the development and implementation of disaster risk reduction strategies, at all levels. This is an imperative factor, given that it has been proved that the active participation of women allows continuity of implementation of activities and behavioral change as they are the main channels of knowledge transfer. The integration of the Women Affair Ministry at all stages of the project and activities reinforced an institutional integration of the gender equity aspect in disaster risk reduction. In the future, much more analytic projects needs to be implemented by the Government of Haiti while involving the media to bring awareness to the population that can bring resilience in disaster situation when they occur.

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Challenges and Strategies for Rapid Response in Disaster Relief Operations in Ghana

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Abstract

Natural disasters are catastrophes that are beyond the control of humans. However, the effects of natural disasters can be reduced through rapid response and effective post-disaster management strategies. This study examines the barriers to effective disaster relief operations in Ghana and propose strategies for ensuring efficient response in disaster relief operations. Questionnaires were used to obtain data from officials of ten major disaster relief organizations in Ghana. The study revealed a number of constraints affecting disaster relief operations in Ghana. Key among these are lack effective planning, lack of logistics, people’s behavior and perception and lack of coordination and corporation. Strategies for efficient disaster relief operations should include appropriate in-country training and education to personnel, proper coordination among stakeholders and improvement in logistical suppliers through increased funding for disaster relief organizations.

Keywords: Natural Disasters and Catastrophes, Rapid Response, Disaster Relief Operations and Relief Organizations.

Introduction

Natural disasters are catastrophes that are beyond the control of humans. However, the effects of natural disasters can be reduced through rapid response and effective post-disaster management strategies. Disaster relief operations, in general, are carried out by relief agencies in collaboration with security agencies such as the military, focusing on transportation of food, first aid material, equipment, and rescue personnel from supply points to many destination nodes geographically dispersed over the disaster region (Christopher & Tatham, 2011). The evacuation and transfer of people affected by disasters to designated health care centers rapidly and safely also form an integral function of relief organizations (Barbarosog et al, 2002).

In recent times, the most alarming and devastating disasters in Ghana are floods, fires and epidemic (Addai, et al, 2016; Ntanjal, et al, 2017). These disasters have claimed many lives and cost the nation millions of dollars annually (NADMO, 2014). Seriously, response to disasters and managing of disasters augmented by disaster relief organizations in Ghana present operational constraints to regional and national disaster response and management capacity. For example, on several occasions, the response to floods and fire disasters by the disaster relief organizations such as the National Disaster Management Organization (NADMO), the Ghana National Fire Service (GNFS) among the various organizations have been questioned. This is against the backdrop that on a number of occasions, there were experiences of delays and flaws in disaster response execution leading to increased casualties and worsened conditions of disaster victims (Bempah and Olyhus, 2017). Arguably, coordination of logistics in disaster relief operations especially during emergencies is very daunting due to the distinct nature of the disaster and emergencies as well as the high involvement of stakeholder organizations (Aboagye, Dari & Koomson, 2013; Allotey, Arku & Amponsah, 2010). This notwithstanding, it is imperative for disaster relief organizations to remain steadfast in their quest to swiftly respond to disasters, reduce human, physical, and economic losses that often accompany disasters.

Statement of problem

The key to improved ability, capability and speed in disaster relief efforts is to examine the challenges confronting disaster relief organizations and provide appropriate antidotes in addressing...
them. However, in most cases, the response of disaster relief organizations in Ghana to disasters has been described as poor, at best (Buatsi, 2007). Yet, in the case of Ghana, no adequate explanation has been provided to explain the failure of disaster organizations to promptly respond to emergency situations. Similarly, no detailed examination has been conducted to ascertain why the operational flaws associated with disaster relief operations in Ghana continue to occur. There is therefore the need to examine the challenges to rapid response in disaster relief operations in Ghana. It is against this backdrop that this study attempts to provide an in-depth exposition of the challenges to rapid response in disaster relief operations in Ghana.

**Objectives of the study**

The main aim of the study is to assess the challenges associated with rapid response in disaster relief operations in Ghana. Specifically, the study seeks:

I. To examine the constraints to effective response in disaster relief operations.

II. To propose strategies of ensuring efficient response in disaster relief operations.

**Research questions**

The study is underpinned by the following research questions:

I. What are the constraints to effective response in disaster relief operations?

II. How can efficient response in disaster relief operations be achieved?

**Theoretical framework**


Altay and Green (2006) attempt to capture the distinction made by the complete phases in consecutive order and in consistent with the full Disaster Management Cycle shown in figure 1. The cycle shows the ongoing course by which businesses, civil society and governments, plan for and diminishing the impact of disasters, react during and immediately following a disaster, and steps to take to recover after a disaster occurrence. Appropriate actions at all points in the cycle lead to better warnings, greater preparedness, and prevention of disasters or reduction of vulnerability during the next iteration of the cycle. The complete disaster management cycle includes public policies and plans shaping, that either mitigate their effects on people or modify the causes of disasters, infrastructure and property.

![Figure 1. Disaster management cycle](source: Tuscaloosa county disaster management cycle (2003))
Mitigation

Mitigation activities actually eradicate or diminish the chance of disaster occurrence, or lessen the effects of inevitable disasters. According to Tomasin and Van Wassenhove, (2009b), Mitigation measures include laws and mechanisms that diminish the susceptibility of the population and intensifies their resilience. For example, updates of vulnerability analyses; public education; preventive health care; land use management and zoning; safety codes and regulations for building usage; and building codes.

Mitigation depends on the integration of appropriate measures in regional and national development planning. Mitigation efficiency will also depend on the readiness of information on emergency risks, hazards and the countermeasures to be taken. The whole disaster management cycle and mitigation phase, indeed, comprises the shaping of public plans and policies that either mitigate disasters effects on property, people, and infrastructure or modify their causes.

Preparedness

A well-prepared response is much more effective than ever. Tomasin and Van Wassenhove, (2009b) demonstrated that, preparedness addresses the strategy already in place that allows implementation of a successful operational response in the theatre. The objective of emergency preparedness programs is to achieve an acceptable level of readiness to react to any emergency situation. That is, through programs that strengthen the managerial and technical capacity of governments, communities and organizations. These measures, also described as logistical readiness to deal with disasters can be enhanced by having response procedures and mechanisms, developing long-term and short-term strategies, public education, rehearsals and building timely warning systems (Nisha de Silva, 2001). Based on the tasks and skills required to respond, Tomasin and Van Wassenhove (2009a) argued that, supply chain management should be at the center of the preparedness strategy of any organization, so as to enhance the flow of people, knowledge, information, finance and materials.

Response

Emergency response is meant to provide immediate assistance to improve health maintain life, and support the confidence of the affected population. Such aid may range from provision of precise, but limited, such as assisting refugees with, temporary shelter, transport and food, in establishment of semi-permanent settlements in camps and other locations. Emergency response may also involve initial repairs to damaged buildings and infrastructure. Meeting the basis needs of the people until more permanent and sustainable solutions arrive is the primary focus in the response phase.

Long and Wood (1995) have shown that there is an abundance of aid agencies focusing on relief after natural disasters. Therefore, it is often in chaos among aid agencies, about which resources are available and which are not, or which are demanded in priority. In some situations, even the contribution and involvement of suppliers are unpredictable (Tomasini and Van Wassenhove, 2009a). This scenario creates duplicated efforts and materials, and many redundancies (Simpson, 2010).

Recovery

This phase of the Disaster Management Cycle focuses on providing long term assistance to victims. Here, actors and institutions begin to assist victims in the location of their family and friends (Lamont, 2005) after the immediate response. There is no exact point at which immediate relief can transform into recovery and then into long-term maintainable development. There will be many opportunities during the recovery period to enhance, prevent and increase preparedness, thus reducing vulnerability. Ideally, there should be a smooth changeover from recovery to on-going development.

Recovery activities continue until all systems become better or return to normal. In both short and long term, Recovery measures include temporary housing; returning vital life-support systems to minimum operating standards; health and safety education; counseling programs; reconstruction; public information and economic impact studies. Information services and resources include data collection relating to documentation of lessons learned and rebuilding. All these can be attained through efficient and effective coordination.
Research methodology

The perspective of the research was based on Ghana and it involved the major disaster relief organizations in Ghana. The study employed descriptive research design that focused on in-depth examination of the associated challenges in disaster response and strategies for overcoming these. Twelve major organizations were targeted for the study, out of which ten agreed to participate. These were

1. United Nations Humanitarian Response Depot (UNHRD);
2. World Vision – Ghana,
3. Adventist Development Relief Agency (ADRA);
4. CARE International;
5. National Disaster Management Organization (NADMO);
6. Ghana Police Service;
7. Ghana National Fire Service;
8. National Ambulance Service (NAS);
9. St. John’s Ambulance Service (SAS) and;

The two that couldn’t respond to my questions before compiling and analysis are

1. Ghana Health Service
2. Ghana Red Cross Society

A senior official (being the mouthpiece) representing each respective organization was involved in the study.

Data collection and analysis

In line with the qualitative and quantitative research approach, questionnaires and observations were used to elicit responses from the study participants. According to Yin (2004), questionnaires are the most appropriate method for case study. The use of questionnaires ensured that standardized data were collected from identical organizations in this case disaster relief organizations, without the need to have face to face interaction. Apart from these, it saves time and resources. Also, the questionnaire enabled the researcher to collect relevant data in respect of the same variables for everyone in the sample selected (Yin, 2004). The questionnaires consisted of Likert Scale statements that sought the opinion of respondents on the constraints confronting their organizations when it comes to disaster management. The data collected were analyzed using the SPSS Software. Pictures taken during field observations were used to support findings from the questionnaire data.

Based on the responses to the questionnaire using the above scale, the Weighted Mean Average formula was used to compute the overall results for the various variables to address the research questions.

\[ WMA = \frac{\sum W}{AN} = \frac{5n_5 + 4n_4 + 3n_3 + 2n_2 + 1n_1}{5N} \quad \ldots \ldots \quad \text{eq. 1} \]

The formula above is explained below:

WMA = Weighted Mean Average
A = Highest weight (in this case 5)
N = Sample Size
n1 = Number of responses to “Strongly Disagree”
n2 = Number of responses to “Disagree”
n3 = Number of responses to “Indifferent”
n4 = Number of responses to “Agree”
n5 = Number of responses to “Strongly Agree”

The results from the computations using the above formula was then compared with the Vagias (2006) Means Range values to obtain the appropriate interpretation to the specific variable in the questionnaire.
Results and discussion

The study sought the views of the respondents on the challenges that are peculiar to their organizations. This was done with reference to the Disaster Management Cycle, which formed the theoretical framework of the study. Thus, respondents were asked to identify challenges they encounter and indicate which phase or phases of the disaster management cycle they experience the challenges identified. The results are illustrated in Figure 2.

Mitigation phase

From Figure 2, peoples’ behavior and perception towards disasters (90%) constituted a major constraint to disaster relief during the mitigation phase. This is confirmed by the findings in plate 1 that depicts how people behave towards disaster scenes – everyone in desperation wanting to be the first to catch the glimpse of disaster when it strikes. From the results, it is obvious how people were eager to catch a glimpse of disaster and by so doing obstructing free flow and easy access of disaster relief personnel and equipment to disaster sites. This outcome confirms the finding of Okoampa (2007) that there is the perception among Ghanaians that Ghana is “safe” and that disasters are unlikely to occur and this affects the Ghanaian’s level of preparedness as well as mitigation efforts.

![Figure 2. Challenges militate against disaster relief operations in Ghana](image-url)

Source: Field Data, 2016

Another constraint during the mitigation phase was lack of political will-power to execute disaster mitigation projects. This was followed by lack of effective planning, lack of common standards, lack of funding and inappropriate donations, lack of effective coordination and corporation with other disaster relief originations.
Plate 1. Large crowd “competing” with excavators for space at a disaster site

Source: Adomfmonline.com, 2015

**Preparedness phase**

At the preparedness phase, the results showed that the major challenges faced were lack of early warning systems, coordination and collaboration among disaster relief organizations and lack of ICT facilities, lack of funding and inappropriate donations, people’s behaviour and perception about disasters and lack of logistics. The rest which were noted to be minor challenges were lack of information on disasters and effective planning, ad-hoc fire-fighting behaviour and poor infrastructure.

With respect to lack of information and early warning systems, it is important to note that knowing the causes for disasters help in setting early warning indicators to mitigate the disasters or prepare for them. In this regard, the use of ICT facilities could help provide relevant information necessary for planning to mitigate any disaster that might strike as also confirmed in the findings of Kovac and Spens (2007). The implication of these challenges at mitigation phase is that they have rippling effects on the preparedness phase.

**Response phase**

When it comes to response to disasters, the results in figure 2 showed that 60% of the respondents were of the view that their respective organizations often experience delays in responding to disaster relief operations, while 40% of the respondents stated otherwise. When pressed to provide reason for the delays, poor infrastructure, lack of coordination and corporation and lack of information as well as lack of ICT facilities were identified as the main constraints inhibiting timely response to disasters. The picture below illustrates how the nature of road infrastructure in some parts of the country constrain the activities of disaster relief organizations.
Though Ghana is seen as a country with well-developed transport infrastructure in West Africa (Pederson, 2003), the state of the road network with an abundance of unpaved roads leads to frequent vehicle breakdowns. Another important challenge at the response phase was lack of HR capacity which was also evident in the study conducted by Addai, et al, (2016).

**Reconstruction phase**

The major challenges that disaster relief organizations in Ghana face during reconstruction phase were aid dependency and lack of funding. The rest though on the minor side include delays, lack of common standards of operations, absence of legislation and in-country warehousing, lack of ICT facilities and lack of coordination and collaboration among disaster relief organizations. These findings are in line with the assertion that, countries that rely on aid for emergency relief will have a challenge ensuring effective and efficient disaster management.

**Conclusion**

The results from the study shows that despite the efforts by disaster relief organizations in responding to various disasters in Ghana, they are confronted with important constraints. Key among these are lack of effective planning, absence of early warning systems and limited collaboration among relief organizations. These challenges which resonates through all the phases of the Disaster Management Cycle act as barriers to effective and efficient disaster risk reduction and mitigation in the country. The challenges militating against disaster relief operations in Ghana do not only depend on the type of disasters, organizations but also on the activities related to different phases of disaster relief. Therefore, short, medium to long term measures are needed in addressing the challenges so as to achieve effectiveness and efficiency in disaster management and humanitarian logistics operations in Ghana.

**Recommendations**

In order to overcome the constrains identified in the study and ensure that organizations respond effectively to disasters, measures should be put in place to address the challenges facing these organizations. Hence, the following recommendations are made:

I. Stakeholders in disaster relief operations in Ghana must come together and draw up collaborative and comprehensive plans, modalities and strategies to ensure improved speed and co-ordination in disaster relief efforts. This will help to establish a common platform for sharing knowledge and information, a practice that will help to improve response time to disasters, reduce cost to improve efficiency.

II. Appropriate simulation exercises should be organized often among the relief organizations. This will improve on the relief response effort effectively and efficiently. Knowledge acquisition is
also important among the staff. One such training is the Msc Disaster Management programme run by the University of Cape Coast in Ghana. Disaster relief organizations should partner the University to provide professional training to personnel to improve their skills and expertise.

III. Disaster relief organizations in Ghana should be adequately resourced with the logistics such as relief items, vehicles, warehouses and funding to enable them respond to disasters in good time. In particular, there is the need to set early warning systems by investing in modern ICT systems. This will help modernize relief operations and make organizations more responsive to disasters.

IV. Since haphazard development impedes the operations of relief organizations, especially during emergencies, it is recommended that proper spatial planning should be carried out in the major cities in the country. This should be done in collaboration with disaster relief organizations to ensure that spaces are created for emergency response.

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Correlates of Consumer Patronage of Shopping Mall in Metropolitan Lagos

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Abstract
The research is aimed at investigating the pattern and extent of relationship among factors that stimulate consumer patronage of shopping malls in metropolitan Lagos. The Study utilizes survey method with questionnaire and interview as the two instruments used in data collection. Analysis is done largely using descriptive statistics. Also a four point Likert scale is used to measure the variables which form the basis for the use of regression model as the sole tool used in hypothesis testing. Based on the survey of urban shoppers, the study analyses the cognitive attributes of the shoppers towards attractiveness of shopping malls and intensity of the shoppers. The results of the study revealed that ambience of shopping malls, assortment of stores; sales promotions and comparative economic gains in the malls attract higher customer traffic to the malls. The analysis also revealed that class difference of consumers play an important role in choosing shopping malls. In other words, the research reveals a significant relationship between shopping malls sales growth and middle and upper class patronage. The study recommends that Mall Managers should therefore develop appropriate tenancy policies for retaining firms in reference to the socio-demographic factors of customers to satisfy different segments. An appropriate mix of anchor tenants who have different target groups would better attract customers to shopping malls and such assortment of stores could co-exist in a shopping mall successfully without conflict of interest. Shopping mall managers should focus attention on providing information about retailer’s offers beforehand for the customers to make their purchase decision prior to mall visit. There is the need for shopping mall managements to increase social and recreational facilities which acts as driving factors in augmenting the customer’s traffic to the shopping malls. Also, there is the need for government to monitor the sitting of shopping malls in order to ensure adequate space and avoid congestion which is the major feature of traditional markets.

Keywords: Correlate, Consumer, Patronage, Shopping, Mall, Product.

Introduction

Background to the study
The business environment in Nigeria has become more competitive, largely as a result of globalization and liberalization of the economy. Openness of an economy ordinarily stimulates competition and often results in hard times for some businesses. Liberalization has led to the establishment of large scale retail outlets known as shopping malls. These shopping malls compete favorably with well-known traditional markets from the perspectives of economic, operational and managerial efficiency. The economic relationship concerns the degree of dependency between the attractiveness of shopping mall and shoppers' personality traits in reference to market share, return on investment and profitability (Rajagopal2008). The underlying success factors of planned and centrally managed large shopping mall in the retail sector are grid around customer satisfaction in reference to selection, atmosphere, and convenience, salespeople, refreshments, location, promotional activities and merchandising policy(Anselmsson,2006) Enhancing and retaining customers have been identified as, a major source of competitive advantage within the retailing sector (Chang and Tu 2005). Retailers need to develop strategies that recognize customer loyalty as a multifaceted and complex construct influencing customer references and decision making (Huddleston, 2004).
Knox and Denison (2000) highlight the importance of developing retail strategies to manage consumer patronage, customer loyalty and shoppers switching behavior. Therefore, focusing on factors that could influence consumer's patronage and build customer loyalty is imperative (Sirohi, McLaughlin and Wittink, 1998). The constant challenge is to ensure that the growth and expansion of shopping malls can be exploited within a sustainable framework. This will result in high consumer patronage and repeat visit. The accruing benefits such as improvement to the economy would in effect be maximized.

In view of the above discourse, the trust of the study is to ascertain those factors that are pertinent to attracting the patronage of consumers to malls in metropolitan Lagos

**Statement of the problem**

The development and expansion of marketing and current development in the Nigerian economy like increase in population, customer awareness; globalization, technological advancement and deregulation have influenced business and marketing activities. This development has led to the emergence of large retail outlets with modernized facilities that provide comfort and convenience to shoppers which the traditional markets could not provide. The challenge before the shopping mall managements is not only to ensure growth and expansion of shopping malls but to render traditional markets irrelevant. Studies have been carried out on what could influence consumer patronage. Anselmsson (2006) argued that atmosphere, convenience and sales people could possibly be the factors. Others like Knox and Denison (2000) highlight the importance of physical and social surrounding such as location, decor, noise, aromas, lighting, intensity and physical layout. Neither of these reports however related how various physical features could serve as effective stimuli for a shopper. Consumer satisfaction while shopping inevitably is an important issue for shopping for the second or subsequent time. The experimental aspects of shopping are of great interest to retailers, in today's tough competitive environment, retailers are concerned about the factors that impact on the feelings and states of their patrons and try to implement appropriate strategies aimed at making a shopping experience a pleasant one. This research is thus an attempt to unravel the factors that exert influence on consumer patronage of shopping malls in metropolitan Lagos.

It is in the light of the above that this study attempts to examine the correlates of consumer patronage of shopping malls in metropolitan Lagos. It also seeks to identify the target customers and their demographic characteristics. To achieve this, the following research questions are raised

**Research questions**

i. Is there any relationship between logistics related variables/accessibility, parking, security, etc.) and patronage of shopping malls?

ii. What is the relationship between ambience related variables (peripheral ambience, inside mall ambience, flower and vegetation, air-conditioning, etc.) and consumer patronage of shopping mall?

iii. Is there any relationship between cognitive related variables (creative sales events, customer interaction, recreation, etc.) on consumer patronage of shopping malls?

iv. Is there any relationship between economic related variables (price, quality of product, promotional attraction, etc.) on consumer patronage of shopping mall?

v. What is the effect, if any, of demographic characteristics on loyalty to shopping malls?

**Objectives of the study**

The broad objective of this research is to determine and explain the pattern and extent of relationship among factors that stimulate consumer patronage of shopping malls in metropolitan Lagos. The specific objectives include:

I. To assess the effects of some demographic characteristics on loyalty to shopping mall;

II. To examine the relationship between ambience related variables(peripheral mall ambience, inside mall ambience, flower and vegetation, air-conditioning, etc.) and consumer patronage of shopping mall;
III. To determine the level- of relationship that exist between cognitive variables (creative sales events, customer interaction, recreation, etc.) and consumer patronage of shopping mall;
IV. To assess the effect of economic variables (price, quality of product, promotional attraction, etc.) on consumer patronage of shopping mall; and
V. To find out the relationship of logistic related variables (accessibility, parking, security, etc.) on consumer patronage.

Hypotheses of the study
On the basis of the research objectives and research questions, the following hypotheses are hereby formulated.

I. There is no relationship between logistic related variables (accessibility, parking, security, etc.) and patronage of shopping malls;
II. There is no relationship between ambience related variables (peripheral mall ambience, inside mall ambience, flower and vegetation, air-Conditioning, etc.) and consumer patronage of shopping mall:
III. There is no relationship between cognitive related variables (creative sales events, customer interaction, recreation, etc.), and consumer patronage of shopping mall; and
IV. There is no relationship between economic related variables (price, quality of product, promotional attraction etc.), and consumer patronage of shopping mall.

Significance of the study
The development of shopping malls and leisure facility centers in Nigeria need to be evaluated from the perspectives of economic, operational and managerial efficiency.

The economic relationship concerns the degree of dependency between the attractiveness of shopping malls and shoppers personality traits in reference to the market share, return on investment and profitability (Rajagopal, 2008). The underlying success factors of planned, centrally managed and large shopping malls in the retailing sector is grid around customer satisfaction in reference to selection, atmosphere, convenience, sales people, refreshments location, promotional activities and merchandising policy (Anselmsson, 2006).

The significance of this study cannot be over emphasized, considering the fact that retailing in Nigeria is one of the most virile sectors of the economy. There is no doubt that shopping malls contribute to business significantly and attract buyers and sellers, and provide enough time to make choices as well as a generational means of shopping. The study is also significant because the patronage of these shopping malls is increasing not only among the youths and elites but even among the uneducated members of the society.

It is also evident that the patronage of shopping malls is mostly among the middle and higher income earners. These groups are usually mobile, hence the need for shopping mall developers to consider space environment when setting up new shopping malls.

The study would also contribute to knowledge in understanding the contribution of shopping malls to the Nigerian economy. It would therefore provide a good reference material for future researchers in this field of study.

Furthermore, with increasing development of shopping mall there is the need for government to step in and regulate its sighting in order to spread their locations an avoid congestion of an area like traditional market site. More importantly, the study is expected to bring out the potentials of shopping malls hence an economic venture where more Nigerians could invest. Lastly, the research is expected to find out whether the traditional markets will fizzle out in future with more and more developments of shopping malls or the two type of market will co-exist side by side.

Scope of the study
The study aims at examining the correlates of consumer patronage of shopping malls in metropolitan Lagos.
Secondly the investigation shall be limited to shopping malls: operating In Metropolitan Lagos with
known structures.

Thirdly, the study shall dwell on the extent of relationship among factors that stimulate consumer patronage of shopping malls in metropolitan Lagos.

The study would also cover such aspects as customer behavior, attitudes and perception as they affect shopping malls patronage from 2012 to 2016. This is done in order to strengthen the empirical position to be established at the end of the study.

**Limitations of the study**

The study was conducted in one Nigerian state metropolis. This does not mean that other states of the federation including Federal Capital Territory, are irrelevant in shopping mall operations. Rather, this is simply to permit the researcher to focus attention on specific shopping malls in one specific location (Lagos) which we believed can be used as a basis for predicting similar conditions in other parts of the country. This is also, in addition to the time and resource constraints facing the researcher which may not allow the researcher to cover every state of the federation.

The study was also constrained by the choice of 300 respondents as a sample size from three shopping malls in metropolitan Lagos. The study was restricted to this sample drawn from three shopping malls although; such study may be conducted in all the shopping malls in the state as extended to cover the whole country that is Nigeria. Research findings were also restricted to what is obtainable in the selected shopping malls thereby making it difficult to generalize the outcome to the state in particular or the country in general. In the same vein, customer value perceptions and their influence on patronage and behavior may vary in different cultures, and results indicating the weight and the influence of different value dimension should be interpreted cautiously.

In spite of all these limitations it is believed that the findings were not adversely affected and would have succeeded in giving a fair representation of the entire state.

**Literature review and theoretical framework**

**Introduction**

This section review relevant and related literature on the subject matter. It begins with a brief historical development of retailing and shopping centers and their attributes. The concept of consumer behavior, the concept of consumer perception and the concept of Marketing strategy are also discussed. Thereafter, the conceptual framework utilized for the research is presented.

**Retail development and shopping centers**

Cities and towns have changed dramatically over the past decades. The proliferation of discount, general merchandise stores such as Target. Wal-Mart and K-mart have had a significant impact on our urban and rural land spaces affecting the way we shop, live, work and play. While changes in customer buying habit are often linked to changes in the retail industry, communities are increasingly becoming more aware of both the positive and negative aspects of large scale retail facilities often called "big boxes" Mega Stores or Shopping Malls (Perry. 2001).

Therefore the development of the Shopping Malls and leisure facility centers need to be evaluated from the perspectives of economic, operational and managerial efficiency. The economic relationship concerns the degree of dependency between the attractiveness of Shopping Malls and Shoppers' personality traits in reference to the market share returns on investment and profitability (Rajagopal. 2008). Two types of shopping center models are observed in the emerging real estate markets in developing countries which are characterized by their ultimate relationship with the physical shopping center on whose web site they reside (Dixon and Marston, 2005: Kuruvilla and Ganguli, 2008). The underlying success factors of planned centrally managed and large shopping Malls in the retailing sector is grid around customer satisfaction in reference to selection, atmosphere. Convenience sales people, refreshments, location, promotional activities and merchandising policy (Anselmsson 2006). Also it is found that assortment of
stores. Mall environment and shopping involvement factors have a differential influence on excitement and desire to stay in the Malls, which in turn are found to influence patronage intentions and shopping desire in the Malls (Wakefield and Baker, 1998).

The concept of marketing strategy

The aim of marketing is to meet and satisfy target customers’ needs and wants more effectively and successfully than competitors. That is why Drucker (1964) stated that every business can be defined as serving either customers or end users or markets. Marketing, according to Czinkota, Katobe and Mercer (1997) is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create and maintain exchange that satisfy individual, organizational and societal goals on the systematic context of a global economy (Armstrong, 2001). However, the definition that is more relevant to this study is the one offered by Riivari (2005) in which he states that marketing is all about evoking a response from the target customer. He added that usually, this is for the purchase of something or to make buyers aware of a new service they can use. Organizations can therefore use various techniques to evoke response from customers. The foregoing definitions presupposed that for effective marketing to take place, companies have to understand the behavior of their consumers. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items or services. It includes amongst others what they buy why they buy it, where they buy it, how often they buy it, how often 'they use it, how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose it (Schiffman and Kanuk, 2004). This is a very crucial issue in any marketing discourse. As a result since the main focus of this study is on the correlates of consumer patronage of shopping malls, it ought to be a consumer-centered study. Thus, the theoretical framework and the literature review will be built around consumption related values, as proposed by Pura (2005). Marketing strategy is seen by a lot of people as a plan. This is indeed the traditional view of a strategy. A plan is out of date as it is compiled; it will never stay static.

According to Grant (1991) and Thibodeaux and Favila (1999), strategies must be well formulated and implemented in order to attain organizational objectives. Strategic decisions determine the organizational relations to its external environment encompass the entire organization, depend on input from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley. 1982).

Porter (1987) suggests that is "the glue that holds together the many systems and initiatives within a company". Riemann and Ramanujan (1992) argued that it is a method for finding a vision and "obtaining perpetual invigoration" for that vision. Mintzberg (1994) states that strategic thinking emphasizes synthesis, "using intuition and creativity" to product "an integrated perspective of the enterprise. Garratt (1995) sees strategic thinking emphasizes synthesis, "using intuition and creativity" to product "an integrated perspective of the enterprise. Garratt (1995) sees strategic thinking as a process by which senior executives rise above their daily managerial processes and crises to gain a different perspective of the organization and its changing environments. According to Porter (2001), the essence of a strategy is choosing to perform activities differently from rivals, which requires creativity and insight.

Executives around the world are confronted with complex strategic marketing decisions created by demanding knowledgeable customers, aggressive competition, turbulent markets, disruptive new technologies, demographic changes and escalating globalization. Importantly, these challenges highlight several, marketing strategic opportunities. At the core of the opportunities created by these challenges is the need to improve our understanding of markets and competitive space, customer value delivery, innovation, cultures, processes, and the design of effective organizations, Cravens, and Jagersma, (2006). It is no secret that if a company is looking to grow its market share and improve its overall position, the marketing function plays a key role (Vrontis. et al: 2007).

El-Ansari (2006) explains that the concepts of marketing strategy lacks clarity in the sense that in one breathe the literature counts segmentation, targeting, differentiation and positioning as marketing strategies
and in the same breath recounts the marketing mix elements/4Ps, i.e. product, pricing promotion and place (distribution) as strategies. Such account of marketing strategy fails to differentiate between marketing strategy and marketing management. Marketing strategies are segmentation, targeting, differentiation and positioning. Marketing management is a marketing mix program designed for marketing strategy implementation.

Martin (1991) opines that marketing strategy involves two related tasks. First the selection of firms target market in which it intends to operate. Secondly the development of a marketing mix for each selected target market.

Yomere (1985) suggests that strategy is a plan, which involves the determination of the basic long term goals and objectives of an enterprise, the adaptation of courses of action, and the allocation of resources necessary for realizing these goals.

Ansoff (1965) proposes a concept of strategy which

- Provides a broad concept of the firm's business;
- Sets forth specific guidelines by which the firm can conduct its search: and
- Supplements the firm's objectives with decision rules, which narrow the firm’s selection process to the most attractive opportunities.

Kelly (1972) sees strategy as the catalyst, the main thread and thrust of the business. Once the initial marketing objectives have been set, it is necessary to consider how they could be achieved. The way one goes about achieving ones marketing objectives is through marketing strategies (through the use of one’s marketing mix): Westwood (1996) observes that marketing strategies are the means through -which marketing objectives are achieved. He opines that marketing strategies relate, to products, pricing, promotion, and distribution.

Some strategies may seem to follow logically and obviously from the objectives, while others may evolve from a flash of inspiration. When the list of alternative strategies has been prepared, they should be evaluated to determine which would best satisfy the objectives. You should equally determine which strategies could be best implemented with the resources and the capabilities that your company has. Strategies should be listed under the headings of the four main elements of the marketing mix - product, pricing, promotion and distribution (Westwood. 1996).

Product

Etzel et al (1997) consider a product as a set of tangible and intangible attributes, which include packaging, color, price, quality and brand, plus the sellers' services and reputation. Stanton (1975) opines that fundamentally, the social and economic justification for the existence of a business entity is its ability to satisfy its customers. The functions of product management should therefore include:

- What types of product to offer?
- What attribute the products will possess including quality, brand name and warranties?
- The manner the products should be packaged whether the products are to be branded and if they are what brand to use?

Pricing

According to Schewe and Smith (1980), a price is what the buyer gives up to receive a bundle of utility in the exchange. Kotler (2001) believes that price is the marketing mix element that produces revenue; others produce costs. It is also one of the most flexible elements. It can be changed quickly, unlike product features and channel competitions. At the same time, price competition is the number one problem facing companies, yet many companies do not handle price well. Guiltinan and Paul (1991) hold that there are no simple rules of thumb that manager can use to ensure a correct price. In the same vein, baker (1985) contends that pricing decisions constitute a complex web and that successful pricing requires an awareness of the many inter relationships among pricing decisions. The price to be, placed on products should be
profitable to the seller and at the same time be affordable to the consumer.

Promotion

This is according to Etzel, et al (1997) the element in an organization's marketing mix that serves to inform, persuade, and remind the market of a product and or the organization selling it with the hope of influencing the recipient's feelings, beliefs, or behavior. It includes personal selling, advertising, sales promotion, public relations and publicity.

Place/distribution

This involves the physical movement of products to ultimate consumers. The most innovative product with attractive price, for instance, is worth nothing if it cannot be available to buyers, when and where they want it. Distribution therefore bridges the gaps of space and time between production and use or consumption. It includes physical distribution and channels of distribution.

Consumer behavior

Enhancing and retaining customer loyalty has been identified as a major source of competitive advantage within the retailing sector (Chang and Tu, 2005). Retailers need to develop strategies that recognize customer loyalty as a multifaceted preferences and decision making (Huddleston, 2004) Knox and Denison (2000) highlight the importance of developing retail strategies to manage consumer patronage, customer loyalty and shoppers switching behavior. Therefore, focusing on factors that can influence consumer’s patronage and build customer loyalty is imperative (Sirohi, Mc Laughlin and Wittrink, 1998). The literature indicates that product and store attributes influence store patronage and customer loyalty (Change and Tu, 2005; Maraudi, Little and Sekhou, 2006) Mitchell and Kiral, (1998) suggest that store attributes effect on customer loyalty vary across retail format, time and region.

Customer loyalty

Customer loyalty is customer's intention to purchase a specific product or services in future repeatedly (Jones and Sasser, 1995). Customer loyalty is defined as an interaction between customers' relative attitude towards a brand or Store and their repeated purchase behavior towards that brand or store (Dick and Basu, 1994). According to Rhee and Bell (2002), customer loyalty is an important indicator of store health. Customers can have a long-term or a short-term loyalty (Change and Tu, 2005). Long-term loyal customers do not easily change their store and product choice. In contrast, short-term loyal customers do switch when they find a better alternative. Therefore, store loyalty is measured using parameters such as consumer's willingness and intention to purchase in future and their choice behavior.

Store attributes

Considerable research has been directed towards store attributes and customer loyalty in Western countries (Carpenter and Moore, 2006). However, limited attention has been paid to this issue in developing countries. Consumer’s perception of store attributes is influenced by retail formats, type of products, cultural value, shopping intention and customer base (Paulins and Geistfeld, 2003). Bearden (1977) states that store atmosphere, location, parking facilities, and friendliness of store people are the salient factors that influence consumer store patronage. As a result, store attributes such as service offering, activities, facilities and convenience have major influence on consumer satisfaction and loyalty (Change and Tu, 2005).

Product attributes

Consumer preferences of product attributes vary according to product nature and socio-economic nature of the consumer (Wusitalo 2001). Product attributes are often continuous in nature (Viswanathan and Childers 1999). The attributes model proposed by Gwinn and Gwinn (2003) posit that consumer choice is based on maximizing utility from the product attributes subject to budget constraints. Choice theory suggests that, consumers’ decision making process depends on certain basic product attributes.
(Vishwanathan and Childers, 1999). The basic product attributes are quality, price, variety, assortment and value of the product (Gwinn and Gwinn, 2003).

Sinha and Bauerje (2004) indicate that store convenience and customer service positively influence consumers store convenience and customer services positively influence on consumer choice. Consumers were also found to be price sensitive and quality conscious (Tuli and Mookerjee, 2004) Choo, Jung and Psarchik (2004) note that consumers’ attribute towards new products are changing significantly and this can increase their intention to shop in new retail formats such as supermarkets. Thus, products attributes such as quality, price and availability of new products are important constructs in the developing countries.

**Consumer perception**

Perception refers to interpretation of what we take in through our senses (Awal 2005). He added that the process of perception enables human to interpret the signals we receive through eyes, ears, nose, skin or tongue as objects, events, people as well as situations.

In other words, perception has been defined by Berelson and Steiner (1964) as the process by which an individual selects, organizes and interprets inputs to create a meaningful picture of the word. People's perception is usually shaped by the physical stimuli, its relation to the environment and on conditions within the individual; Kotler and Keller (2006) postulate that in marketing, perception is more important than the reality, as it is perceptions that will affect consumer's actual behavior. People usually emerge with different perceptions of the same objects because of the way they select, learn and retain the information received through our senses. Thus perceptions form attitudes on products, services or even organizations (Cravens. 2001).

It is pertinent to note here that perception, attitudes and motivation are all parts of consumer behavior; as such any assessment of the consumer perception more often than not dwell on the consumer's value perception of the products inherent attributes.

This perception in turn determines consumer satisfaction or otherwise. In the service industry, service quality is viewed as a critical component of customer perception. The service literature posits that service quality is a critical predictor of perception of value (Bolton & Drew, 1991), and it is the antecedent of patronage and satisfaction (Brandy et.al. 2002). So, in this study, consumer perceived effectiveness is treated synonymously with consumer perceived value. This is because effectiveness is part of value judgment of a service encounter amongst other factors such as reliability, dependability, efficiency, space and convenience. Hence, the conceptual framework is based on this notion.

Prior academic study on consumer patronage of shopping malls is presumably scanty) or even nonexistence in Nigeria. However, empirical studies on related areas are available in other parts of the world. Rajagopal (2008) conducted study on growing shopping malls and behavior of urban shoppers. The study shows the impact of growing congestion of shopping malls in urban areas of Mexico on shopping conveniences and shopping behavior in reference to personality traits of the shoppers. The results of the study reveal that ambience of shopping mall and assortment of stores in the mall attracts high customer traffic to the mall. The study also reveals that urban shoppers visit shopping malls as leisure centers to relax spending long hours and tend to shop in response to various sales promotions by different stores in the mall.

Another study was conducted by Rajaguru and Matanda (2007) on consumer perception and store and product attributes and its effect on customer loyalty in India. The study reveals that store attributes such as service quality and convenience of stores, and product attributes such as product quality, price and availability of new products are significant factors in customer loyalty. Relatedly, Ahmed (2007) conducted research on consumer’s attitude towards modernized shopping centers in Bangladesh. The finding of the research reveals that class difference of the consumers plays an important role in selecting shopping center. Also availability of goods and price of commodities at the shopping center influence the selection of shopping center. Reputation or image of the shopping center also has influence in selecting a shopping center.

However, the most significant study on shopping area image so far has been that of Houston and Nevins
(1980). In their study of the downtown area and, four shopping center on 16 image items, Houston and Nevins use factor analysis to identify three major dimensions or factors of shopping areas image. The first factor, consisted of six items-qualities of stores, variety of stores, merchandise quality, product selection, special sales/promotion, and great place to spend a few hours— which were related to the assortment of benefits offered by the area. The second factor (6 items) consisted of lunch/refresment, comfort areas easy to take children, layout of the area, and special events/exhibits - and was named the facilitative nature of the area. The third factor (4 items) – general level atmosphere, store personnel, and conservative - were associated with positioning of the area as an integrated complex of stores, and was named market posture.

Image of the shopping center also has an impact in the choice behavior of the consumers. Acito and Anderson (1979) found that image was more differentiated, better articulated and of higher dimensionality for recent shoppers compared with non-recent shoppers of a retail store. The same concern was shared by Hirschman (1981).

In conclusion, findings of various researches on shopping malls are similar.

They indicate that consumer patronages of shopping malls are influenced by the following:-

1. Ambiance of the shopping mall convenience,
2. Product attributes such as quality, price and its availability,
3. Mall attributes such as image, convenience in parking and serving as a leisure center to relax,
4. Sales promotion offered by different stores in the mall, and
5. Class difference in terms of consumer income.

Theoretical framework

Theories that describe factors that influence consumer behavior are usually found in marketing, psychology and sociology literatures. Theories of consumption values and concepts like utility, value creation, functional values, and customer's loyalty are all well concepts in marketing. They depict factors influencing purchase decisions and future use of products and services. Pura (2005) argues that customer evaluation of the usage experienced mainly on how valuable they perceive the service being provided.

Therefore, focusing on perceived value gives a good foundation to attract people who share similar value perceptions. Thus, a perceived value has, been proven to be reliable construct in predicting purchase behavior (Pura 2005). It has also been observed by Pura "(2003) that: if customers can access pertinent information specific to a particular place and time, the perceived value of the product or service will increase. As such, the capacity to provide personalized services presents business with opportunities to create strong customer relationships that build loyalty and encourage transactions (Pura, 2002).

Moreover, the value of a product denotes its relative quantity worthiness or utility in the eyes of consumers. Perceived value on the other hand is the customers' evaluation and assessment of the products performance or conformance to its claimed value. Customer value perceptions steer purchase behavior and it refers to the value that customers perceive they receive by using the product or services. (Bettman, Luce, and Payne, 1998).

Consumer preferences of products attributes vary according to product nature and socio economic nature of consumer (Uusitalo, 2001). Product attributes are often continuous in nature (Vishwanathan and Childers, 1999). The attribute model proposed by Gwinn and Gwinn (2003) posits that consumer choice is based on maximizing utility from the products attributes subject to budget constraint. Choice theory suggests that consumers' decision making process depends on certain basic products attributes (Vishwanathan and Childers. 1999). The basic product attributes used in previous studies are quality, price variety assortment and value of the products (Gwinn and Gwinn, 2003).

In product value proposition discourse, effectiveness is part of the functional values of a product. Therefore, the general concept of a perceived value is adopted here as it will give a wider perspective of value judgment made by customers on a given offer.

Customers may perceive the value of an offer differently based on their personal values, needs, preferences and financial resources, among other things. Value perceptions may also differ according to the
usage situation (Anckar and D’lucau, 2002). Other complementary views on value, which further differentiates people based on their consumption motives, are Hirschman and Holbroorns (1982) definitions of value. They describes consumes as either problem solvers or problem seekers of fun and enjoyment (Pura, 2005).

However, an extensive framework on consumption related values which incorporate literatures from several fields opines Pura (2005), has been offered by the theory of consumption values developed by Shelth, Newman and Gross (1991). As a result, the Sheath’s framework is used as the theoretical foundation for this study. This is because the model includes goal oriented consumption. This, it is believed appropriately conforms patronage of shopping malls. The model contains five value dimensions as identified b)’ Shelth, Newman and Gross (1991). They are functional, social, emotional, epistemic and conditional value.

The functional value represents the value derived from effective task fulfillsments which includes monetary, superiority, convenience and availability as the major attractors for shopping malls. Superiority is the quality of the product and the services rendered by the salesmen. Convenience in shopping malls is the parking environment, variety and assortment of the products.

Social value relates to social approval and the enhancement of self-image among other individuals Bearden and Netemeyer (1999). The value aspect tends to indicate that visiting and shopping in malls may be a way of expressing personality status and image. This clearly explains the Nigerian context particularly trying to show up that the item purchased is from a Mall and therefore of a high class irrespective of cost.

Emotional value is acquired when a product/service arouses feelings or affective states such as play and fun. Epistemic value, on the other hand, relates to an experienced curiosity about a new product, Shelth, Newman and Gross (1991).

However, out of the above five dimensions of the consumption value theory, the research will be limited to the functional and social value dimensions. This is because of their relevance and suitability to the study.

**Research methodology**

**Introduction**

The methodological issues discussed in this section consist of the population of the study, sampling techniques and sample size, the design, data collection instruments utilized for the study and the methods-of data analysis.

**Research design**

The study used survey design as its research strategy. This is because the study involves getting people’s views and opinions on why they choose to patronize shopping malls. This position clearly supported by the views of Blaxter, Hughes and Tight (1996) that survey is a research approach that is based on interviews with or asking a representative sample of respondents questions. Under this method, the study will be limited to descriptive survey that is cross-sectional so as to tally with the type of respondents to be studied that is a heterogeneous group.

The depended variable is represented by the letter y while x is used to represent the independent variables, thus

\[ Y = f(x_1 + x_2 + x_3 + x_4) \]

**Population of the study**

The research population includes all shopping center and their customers that are residing within Lagos metropolis. This study is restricted to shopping malls with a size of 100m² and above space. There are ten such shopping centers and so it is restricted to people that patronize those malls. The population of this
study comprised of all the managements and customers that patronized the ten selected shopping malls in metropolitan Lagos. The shopping malls are Lagos City Mall, Mega Plaza, Palm Shopping Mall, Ikeja Shopping Mall, Tonyson Shopping Mall, cash and carry, Tejosho shopping complex, Balogun shopping plaza, TB.S. Shopping complex and Anthony shopping mall.

**Sampling technique and sample size**

Winner and Dominic (1987) state that there is no single way of determining an adequate sample size. However, it is important that the choice of any method should give a sample size that reflects the variability of the population and provide a desired level of confidence in the results.

Therefore, the sample size for the study will be 300 customers, drawn from the three selected shopping malls out of the ten that formed the population. The three are palm shopping mall, Lagos city mall and mega plaza. Also interview was conducted with each of the managers of the chosen malls in Lagos. Since the study is based on obtaining customers views on shopping centers, it is taken that the sample size will adequately address the variability of the population because respondents would be chosen using convenient sampling so as to cover people of different backgrounds. It is also believed that, this will give a desired level of confidence in the research results, because they are in the best position to provide the needed information.

**Methods of data collection**

The study utilized documents, structured interview and questionnaire. The use of documents was a secondary source. It covered analysis of relevant information in journal articles, paper presented at conferences or seminars, reports and publications.

Interviews and questionnaire where used because of the nature of the research design. According to Blaxter, Hughes and Tight (1996) and Abiodun (2002), the two techniques named above are usually adapted in survey research. The respondent’s questionnaire will contained 15 questions each that were largely closed - ended with both dichotomous and multi-choice options. A Four - Point Likert scale has been employed in the questionnaire. The questions were designed to elicit responses about the shopping malls and customer perception of the functional value of the malls. This in turn allows the researcher to answer the research questions developed for the study. Efforts were made to make the questions precise, relevant and free from ambiguity.

Also, data would be collected through personal face-to-face interviews with chosen respondents using a predetermined interview schedule containing key questions that are specifically designed to elicit responses that were used to determine the target respondents and their demographic characteristics. In addition, the interviews were conducted structurally on individual basis.

**Methods of data analysis**

In this study, descriptive statistical tools were used namely frequencies and tabulation. In addition, a four point Likert Scale (from 4 to 1) was used. The scale was arranged in descending order in terms of the weight of the Point of the responses viz: 1 - 4 = 4 Highest, 3 = Higher, 2 = High and 1 = Low. It was used to measure respondent's patronage of shopping malls. Analysis is done largely using descriptive statistics. Specifically, the scores in the Likert Scale is used to ascertain the degree of customers' patronage, level of satisfaction and the extent to which their attitudes toward shopping malls affect their perception of the shopping center. In addition, the scale is used to measure respondents' rating of some key features of the mall such as accessibility, convenience, recreation, customer service and price.

Later, regression model is used to test the hypothesis formulated for the study. In doing so, the normal values from the Likert scale on some key questions are used to compute the regression value to test the statistical significance of the study results. The regression analysis deals with the estimation and test of significance concerning two parameters A and B in the equation. The equation of the regression line of Y and X is given as:

\[ Y = a + bx \]
Where: Y: Is the dependent variable or the variable of interest which is to be estimated.
X: Is the independent variable or the actual value of the independent variable on which the estimates depend.
  a: Is the slope/regression co-efficient i.e. the average change in dependent variable (x) per units change in independent variable Y.
  b: Intercept co-efficient i.e. the value which the dependent variable (Y) will assume when the independent variable X is zero. The data required for the application of the simple linear regression analysis are the N pairs (N>2) of Y values.

After the computations, we then compare the computed value to the tabulated values in any statistical table with (n-2) degree of freedom. B is judged to be significantly if value is greater than the table t value at the prescribed level of significance.

**Data presentation, analysis and discussions**

**Introduction**

This chapter contains the presentation of data collected from the field work and the analysis of same with a view to obtaining an empirical position on the study. In addition, the results of the data analysis as well as test of research hypothesis are discussed herein. The regression model is employed to test the hypothesis and analyze the data.

**The descriptive statistical analysis**

Data for the study was collected through questionnaires and interviews as stated in chapter three. Here the responses of the two different set of respondents are presented using descriptive statistics. The responses are that of customers and management of some selected shopping malls in metropolitan Lagos. We are starting with the analysis of the former followed by that of the later.

**Descriptive statistics: customers’ responses**

The sample size of the study consists of three hundred (300) customers. Therefore, a total of three hundred copies of questionnaires were distributed to the respondents consisting of 20 questions, each soliciting responses that are relevant to the research questions and hypothesis stated earlier in chapter one.

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A O level/equivalent</td>
<td>33</td>
<td>12</td>
</tr>
<tr>
<td>B Diploma/equivalent</td>
<td>81</td>
<td>30</td>
</tr>
<tr>
<td>C Degree/equivalent</td>
<td>114</td>
<td>42</td>
</tr>
<tr>
<td>D Postgraduate</td>
<td>39</td>
<td>14</td>
</tr>
<tr>
<td>E Others</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>273</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey data, 2016

From the table 4.1 it can be seen that those with O level or its equivalent are 33 or 12%, diploma/equivalent 81 or 30%, Degree/equivalent 114 or 42%, and postgraduate 39 or 14% respectively, with those having degree or HND getting the highest responses. Also, those who responded with the “other” option were only 6 or 2%. This signifies that majority of the respondents are enlightened members of the society.
Table 4.2 Showing the respondent’s marital status

<table>
<thead>
<tr>
<th>Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>115</td>
<td>42</td>
</tr>
<tr>
<td>Married</td>
<td>158</td>
<td>58</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey data, 2016

Table 4.2 shows that more than half of the respondent are married with 158 responses or 58% while 115 or 42% are single.

So both married and single people patronize shopping malls

Table 4.3. Showing the occupational profile of respondents.

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Civil servants</td>
<td>58</td>
<td>21</td>
</tr>
<tr>
<td>B Self employed</td>
<td>42</td>
<td>15</td>
</tr>
<tr>
<td>C Private sector employee</td>
<td>126</td>
<td>46</td>
</tr>
<tr>
<td>D Not employed</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td>E Others</td>
<td>29</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey data, 2016

Table 4.3 shows that majority of the respondents are employed either as civil servants 58 or 21% and private sector employees with 126 responses or 46%. The rest are unemployed 27 or 10% and others (dependent persons) got 20 or 8%. This goes to show that shopping malls are being patronized by those with gainful employment as well as the unemployed like students and other dependents.

Table 4.4 Sexes of respondents

<table>
<thead>
<tr>
<th>Option</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>156</td>
<td>57</td>
</tr>
<tr>
<td>Female</td>
<td>117</td>
<td>435</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey data, 2016

From the table 4.4, it can be deducted that a greater number of the customers are male with 156 respondents representing 57%. While the remaining 43% or 117 respondents are female.

This signifies that both sexes are major patronizes of the shopping malls.

Table 4.5. Age brackets of the respondents

<table>
<thead>
<tr>
<th>Option</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 yrs and below</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>21-30 years</td>
<td>82</td>
<td>30</td>
</tr>
<tr>
<td>31-40 years</td>
<td>99</td>
<td>36</td>
</tr>
<tr>
<td>41-50 years</td>
<td>49</td>
<td>18</td>
</tr>
</tbody>
</table>
Table 4.5 shows that majority of the shopping malls patronizes are within the age bracket of 31-40 years representing 99 respondents or 36% of the total respondents. This is followed by the age bracket of 21-30 years having 82 respondents representing 30% of the total respondents. Forty nine or 18% respondents are in the 41-50 years age bracket of the total respondents. The remaining 33 are from the age bracket of 50 years and above representing 12% of the total respondents. This may implies that customers that make up the market for the shopping malls are mostly in the age brackets of 21-50 years.

### Table 4.6. Showing of years the respondents spent as customers with their respective shopping malls

<table>
<thead>
<tr>
<th>Option</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>57</td>
<td>21</td>
</tr>
<tr>
<td>1-3 years</td>
<td>128</td>
<td>47</td>
</tr>
<tr>
<td>3-5 years</td>
<td>63</td>
<td>23</td>
</tr>
<tr>
<td>Above five years</td>
<td>25</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
<td>100</td>
</tr>
</tbody>
</table>

Form the table 4.6 it can be deduced that those within the range of one to three years as customers with their respective shopping malls got the highest number of 128 or 47% of the total responses. In essence most of the respondents have spent more than one year as customers of their respective shopping malls.

### Table 4.7. Showing income distribution of respondents

<table>
<thead>
<tr>
<th>Income per annum</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below N100,000 per annum</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>N100,000 - N500,000</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td>N500,000 - N1,000,000</td>
<td>91</td>
<td>33</td>
</tr>
<tr>
<td>Above N1,000,000</td>
<td>149</td>
<td>55</td>
</tr>
<tr>
<td>Total</td>
<td>273</td>
<td>100</td>
</tr>
</tbody>
</table>

From the table 4.7, it could be seen that customers with income above one million constitutes 149 respondents or 55%. This is followed by customers with income range between N500,000 to one million naira representing 91 or 33% of the total respondents. Customers with income between N100,000 and N500,000 are only 27 or 10% of the respondents while customers with income below N100,000 are only 6 or 2% of the respondents. The implication of the above breakdown is that majority of the shopping mall customers may be people with annual income of N500,000 and above. The two groups constitute 88% or 240 of the entire respondents. This means that middle and upper class members of the society constitute the major patronizes of the shopping malls.
Table 4.8. Showing respondents rating of shopping malls on logistics related variables as presented in four point likert scale

<table>
<thead>
<tr>
<th>Logistics related variables (4 highest, 3 higher, 2 high, 1 low)</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Shopping mall Accessibility</td>
<td>52</td>
<td>125</td>
<td>61</td>
<td>35</td>
<td>273</td>
</tr>
<tr>
<td>b. Car parking</td>
<td>46</td>
<td>123</td>
<td>67</td>
<td>37</td>
<td>273</td>
</tr>
<tr>
<td>c. Convenience for disable and senior citizen</td>
<td>18</td>
<td>68</td>
<td>72</td>
<td>115</td>
<td>273</td>
</tr>
<tr>
<td>d. Security standards</td>
<td>79</td>
<td>122</td>
<td>51</td>
<td>21</td>
<td>273</td>
</tr>
<tr>
<td>e. Information Booth</td>
<td>110</td>
<td>116</td>
<td>36</td>
<td>11</td>
<td>273</td>
</tr>
<tr>
<td>f. Evacuation path</td>
<td>27</td>
<td>79</td>
<td>118</td>
<td>49</td>
<td>273</td>
</tr>
</tbody>
</table>

Source: Survey data, 2016

From the table 4.8, it could be seen that accessibility to the shopping malls has been rated highest by 52 respondents, higher by 125 respondents, high by 61 respondents and low by 35 respondents. Parking convenience shows 46 as highest, 123 as higher, 67 as high and 37 as low. This implies that majority of the respondent are satisfied with the parking provision by the shopping malls. On the convenience for disabled and senior citizen, majority of the respondents rated it low 115 respondents 72 high, 68 higher and 18 highest. This implies that adequate provision has not been made for disabled and senior citizen. Security standard has 79 respondents as highest 122 as higher, 51 as high and 21 as low respondents respectively. The implication of this is that customers of the shopping malls are generally satisfied with the security arrangement. Information dissemination within shopping malls is rated highest with communication within the security arrangement. Information dissemination within shopping malls is rated highest with 110 respondents, 116 higher, 36 high and 11 low respondents respectively. This signifies that shoppers who patronize the malls are very much satisfied with communication within the shopping complex. On the evacuation path, 27 respondents rated highest, 79 higher, 118 high 27 respondents rated highest, 79 higher, 118 high and 49 low. The implication of this is that although the respondents are generally satisfied with the evacuation path, further improvement is required.

Table 4.9. Showing respondents rating of shopping malls on Ambience related variables as presented in four point Likert scale

<table>
<thead>
<tr>
<th>Ambience related variables scale (4 highest, 3 higher, 2 high, 1 low)</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Peripheral mall ambience</td>
<td>65</td>
<td>122</td>
<td>53</td>
<td>33</td>
<td>273</td>
</tr>
<tr>
<td>b. Inside mall ambience</td>
<td>95</td>
<td>84</td>
<td>59</td>
<td>35</td>
<td>273</td>
</tr>
<tr>
<td>c. Flowers and vegetation</td>
<td>57</td>
<td>132</td>
<td>5</td>
<td>32</td>
<td>273</td>
</tr>
<tr>
<td>d. Air-conditioning</td>
<td>150</td>
<td>80</td>
<td>40</td>
<td>3</td>
<td>273</td>
</tr>
<tr>
<td>e. Lighting</td>
<td>134</td>
<td>71</td>
<td>52</td>
<td>16</td>
<td>273</td>
</tr>
<tr>
<td>f. Recreational place</td>
<td>80</td>
<td>98</td>
<td>72</td>
<td>23</td>
<td>273</td>
</tr>
<tr>
<td>g. Hall way and shopping space</td>
<td>92</td>
<td>89</td>
<td>67</td>
<td>25</td>
<td>273</td>
</tr>
<tr>
<td>h. Relaxing benches</td>
<td>60</td>
<td>105</td>
<td>81</td>
<td>27</td>
<td>273</td>
</tr>
</tbody>
</table>

Source: Survey data, 2016

From the table 4.9, it could be seen that peripheral mall ambience has respondents of 65 as highest, 122 as higher, 53 as high and 33 as low. The inside mall ambience has respondents with 95 as highest, 84 as higher, 59 as high and 35 as low. Regarding flowers and vegetation, respondents are 57 highest, 132 higher, 52 high and 32 rated as low. On air-conditioning, the respondents rating are 150 highest, 80 higher, 40 high and 3 low. As for the lighting 134 respondents rated highest, 71 rated higher, 52 rated high and 16 rated as
low. Recreational place in the shopping malls is rated by 80 respondents as highest, 98 as higher, 72 as high and 23 as low. Hall way and shopping space have the rating of respondents as 92 highest, 89 higher, 67 as high and 25 as low while relaxing benches has the respondents ratings of 60 as highest, 105 as higher, 81 as high and 27 as low.

The implication of the ambience related variables as shown in the 4.9 indicate general satisfaction of the physical environment that encourages customers to visit shopping malls. It could be seen that most of the respondent’s scores are highest and higher signifying that customers of the shopping malls are interested in repeat visit to the malls.

**Table 4.10.** Showing cognitive relative variables of the shopping malls as presented in a four point Likert scale

<table>
<thead>
<tr>
<th>Arousal and Merit scale (4 highest, 3 Higher, 2 High, 1 low)</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Creative scales events</td>
<td>72</td>
<td>116</td>
<td>58</td>
<td>27</td>
<td>273</td>
</tr>
<tr>
<td>b Product demonstration</td>
<td>113</td>
<td>93</td>
<td>51</td>
<td>16</td>
<td>273</td>
</tr>
<tr>
<td>c In house advertising</td>
<td>69</td>
<td>99</td>
<td>61</td>
<td>44</td>
<td>273</td>
</tr>
<tr>
<td>d Customer interaction</td>
<td>123</td>
<td>94</td>
<td>53</td>
<td>3</td>
<td>273</td>
</tr>
<tr>
<td>e Newness of product</td>
<td>74</td>
<td>102</td>
<td>49</td>
<td>48</td>
<td>273</td>
</tr>
<tr>
<td>f Health Oriented</td>
<td>71</td>
<td>98</td>
<td>72</td>
<td>32</td>
<td>273</td>
</tr>
<tr>
<td>g Recreation</td>
<td>74</td>
<td>106</td>
<td>58</td>
<td>35</td>
<td>273</td>
</tr>
</tbody>
</table>

**Source:** Survey data, 2016

From the table 4.10, it could be seen that the respondents rating on creative sales event are 72 highest, 116 higher, 58 high and 27 low respectively. Product demonstration ratings by respondents are 113 highest, 93 higher, 51 high and 16 low. The respondents rating of in-house advertising are 69 highest, 99 higher, 61 high and 44 low, while customers interaction was rated by respondents as 123 highest, 94 higher, 53 high and 3 low. The respondents also rated newness of products as 74 highest, 102 higher, 49 high and 48 low. On the health oriented variable the respondents rated it as 71 highest, 98 higher, 72 high and 32 as low, while the rating by respondents on recreation are 74 highest, 106 higher, 58 high and 35 as low.

The implication of the above scores is that there is a general satisfaction of the customers of the shopping malls about activities in the malls. Their scores on the arousal and merriment variables are mostly more in the higher and highest categories. This signifies that the majority of the shoppers enjoy malls activities; their interactions with the sales people, the advert style and the relaxation atmosphere are appreciated. The shoppers also perceive the products in the malls as not only genuine products but health hazard free. This, indeed are the attractions to the mall as customers visit and stay long in the malls and even engage in impulse buying.

**Table 4.11.** Showing economic related variables of the shopping malls as presented in a four point Likert scale

<table>
<thead>
<tr>
<th>Economic related variables scale (4 highest, 3 higher, 2high, 1low)</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value for money</td>
<td>106</td>
<td>97</td>
<td>48</td>
<td>22</td>
<td>273</td>
</tr>
<tr>
<td>Price</td>
<td>117</td>
<td>69</td>
<td>55</td>
<td>32</td>
<td>273</td>
</tr>
<tr>
<td>Quality of the product</td>
<td>117</td>
<td>98</td>
<td>43</td>
<td>15</td>
<td>273</td>
</tr>
<tr>
<td>Customer service</td>
<td>111</td>
<td>93</td>
<td>60</td>
<td>9</td>
<td>273</td>
</tr>
<tr>
<td>Product display</td>
<td>67</td>
<td>118</td>
<td>76</td>
<td>12</td>
<td>273</td>
</tr>
<tr>
<td>Promotional Attraction</td>
<td>66</td>
<td>102</td>
<td>80</td>
<td>25</td>
<td>273</td>
</tr>
<tr>
<td>Availability of products</td>
<td>113</td>
<td>93</td>
<td>49</td>
<td>18</td>
<td>273</td>
</tr>
<tr>
<td>Value added benefits</td>
<td>77</td>
<td>109</td>
<td>64</td>
<td>23</td>
<td>273</td>
</tr>
</tbody>
</table>

**Source:** Survey data, 2016
From the table 4.11 it could be seen that the respondent’s value for money has ratings of 106 highest, 97 higher, 48 high and 22 low. The implication is that customers are satisfied that the money spent at malls is worth the benefit derived from it. On price as a variable, the scores are 117 highest, 69 as higher, 55 as high and 32 as low. The scores show that so long as the prices are reasonable they are always in support. The respondents scores on quality of the products are 117 highest, 98 higher, 43 high and 15 low. The implication is that the quality of a product is of paramount importance to the mall customers with a perception always that products from malls are of high quality. As regards customer service, the respondents rating are 111 highest, 93 higher, 60 high and 9 low, while the product display as rated by respondents are 67 highest, 118 higher, 76 high and 12 low. This signifies that shopping malls maintain high quality customer service with products properly displayed to the satisfaction of the customers. Most of the scores are on the higher and the highest ratings which imply satisfaction. Satisfactions in transaction mean willingness of shoppers to repeat. Promotional attractions rated by the respondents are 66 highest, 102 higher, 80 high and 25 low. The rating implies that customers of shopping malls are induced into making more purchases as a result of promotional activities by the malls. On the product availability the respondents scores are 113 highest, 93 higher, 49 high and 18 low, while value added benefits has the scores of respondents as 77 highest, 109 as higher 64 high and 23 low. The implication of this is that customers are always attracted to the shops with a variety and availability of products. In fact the guarantee that a customer can find different products with its variety to choose from a single location makes him or her always go to that shopping mall.

**Descriptive statistics**

Respondents of the interview with shopping mall management. This section describes outcome of the interview the researcher had with each of the shopping mall management as indicated in chapter three. When asked for how long have they been into shopping mall business, their responses indicated between five to fifteen years on the average. When asked about the type of customers and their demographics characteristics, they answered that their customers are mostly individuals of both sexes who are mostly elites from middle to upper income groups. When asked in their own opinion what are the factors that attract customers to their malls, they answered in unison and mentioned convenience in parking, conducive atmosphere in and out of the malls, recreational place to relax, product quality and reasonable prices of products.

When asked about their contribution to the Nigerian economy and the prospects of the shopping mall business, they mentioned their contributions in terms of employment to Nigerians, payment of various taxes, providing convenience and eliminating stress that customers have to go through in the traditional markets and provide relaxed environment for cooling and reducing tensions. They also mentioned that shopping mall business has a very high prospect. Elites and reasonable income earners even among the un-educated members of the society prefer shopping malls than traditional markets.

**Test of hypotheses**

From the foregoing data presentation and analysis, the formulated hypothesis can now be tested using multiple linear regressions.

The data used for the multiple linear regression test was drawn from the Likert scale measured on four-point basis. The outcome of the respondents responses were condensed using the frequency table from where the observed values frequency figures were obtained.

As a result, the multiple linear regression test on each hypothesis were calculated using the figures obtained from Likert scale.

The analysis of variables was computed by computer to test the significance of "r" using t test for hypothesis 1, the result of $f_{cv}$ is 53.517 while the $f_{tab}$ is 10.128(Appendix vi). Since $f_{cv}$ is greater that $f_{tab}$ we reject the null hypothesis which says, "there is no relationship between logistics related variables (accessibility, parking, Security, etc) and consumer patronage of shopping mall". Instead we establish an empirical position that there is a significant relationship between logistics related variables.
(accessibility, parking, security, etc.) and consumer patronage.

For hypothesis ii the result of $f_{cal}$ is 62.878 while the $f_{tab}$ is 10.128 (Appendix vi). Since $f_{cal}$ is greater than $f_{tab}$ we reject the null hypothesis which says "there is no relationship between ambience related variables (peripheral mall ambience, inside mall ambience, flower and vegetation, etc) and consumer patronage of shopping mall". Instead, we establish an empirical position that there is a significant relationship between ambience related variables (peripheral mall ambience, inside mall ambience, flower and vegetation, etc) and consumer patronage of shopping mall.

For hypothesis iii, the result of $f_{cal}$ is 102.113 while the $f_{tab}$ is 10.128 (Appendix vii). Since $f_{cal}$ is greater than $f_{tab}$ we reject the null hypothesis which says "there is no relationship between cognitive related variables (creative sales events, customer interaction, recreation, etc) and consumer patronage of shopping mall". Instead we establish an empirical position that there is a significant relationship between cognitive related variables (creative sales events, customer interaction, etc) and consumer patronage of shopping mall.

For hypothesis iv, the $f_{cal}$ is 32.924 while the $f_{tab}$ is 10.128 (Appendix viii). Since $f_{cal}$ is greater than the $f_{tab}$, we reject the null hypothesis which says "There is no relationship between economic related variables (price, quality of product. Promotional, attraction, etc) and consumer patronage of shopping mall. Instead, an empirical position has been established that there is a significant relationship between economic related variables (price, quality of product, promotional attraction, etc) and consumer patronage of shopping mall.

Results and discussions

The following major findings are arrived at from the analysis of the interview and questionnaire administered on the shopping malls management and customers respectively.

Customer patronage of the shopping malls in Nigeria tend to be influenced by the ambience of the shopping mall and convenience. This include peripheral mall ambience, inside mall ambience which consists of flowers and vegetation. Air-conditioning, public address system, recreational place, hall way and shopping space, relaxing benches and terrace attraction. The peripheral mall ambience includes car parking, security standards, access to public transport form the mall.

- The findings also showed that shopping malls adapt marketing strategies to attract patronage. These are creative sales events, product demonstration, in store advertising, customer interaction, recreation and newness of products.
- Data analysis further revealed that product attribute which include quality of the product, price, availability of new product and product value act, as stimulus in influencing consumer choice of shopping malls. This finding affirms the finding of Miranda, Konya and Havrila, (2005).
- The research findings equally revealed that promotional attraction has a positive impact on customer patronage of shopping malls. Promotional attractions include product display, in-store ambience, availability of product, length of promotion and value added benefits.
- The result also established that there is a relationship between the shopping malls sales growth and middle and upper class patronage. It can be seen that a good portion of the sample belong to middle - middle class, upper middle class and upper class of the society as their average income is more than 500,000 per annum. Also from the analysis, it was clearly observed that those who have income above N500, 000:00 majority of them like to shop from shopping malls rather than the traditional markets.

Summary, conclusions and recommendations

Summaries of findings

This study is about the correlates of consumer patronage of shopping malls in metropolitan Lagos. The development of shopping malls and leisure facility center in Nigeria is grid around customer satisfaction in reference to selection, atmosphere, convenience, sales people; refreshments policy (Anselmsson, 2006). The development and expansion of marketing and the current development in the Nigerian economy like increase in population, customer awareness, globalization, technological advancement and deregulation
have influenced business and marketing activities in Nigeria. The study seeks to examine the marketing strategies of the shopping malls and their effects on consumer patronage. The study also attempts to examine customers feeling perception and behavior on the shopping malls. Chapter one of the study introduced the topic and presented the problem of the study which was built upon consumer’s patronage of shopping malls. The chapter, also contained the research questions, objectives of the study, research hypothesis significance of the study, scope and limitations of the study.

Chapter two of the study reviewed relevant and related literatures. It begins with a brief historical development of retailing and shopping centers and their attributes. The concepts of consumer behavior, the concept of marketing strategy and the concepts of consumer perception were also discussed. Customer loyalty, store attributes and product attributes concept were exhaustively discussed.

Finally the theoretical frame work of the study was discussed. The theoretical frame work was based on the theory of consumption values frame work developed by (Sheth, Newman and Gross, 1991).

The third chapter dwelled on the research methods utilized for the study. The study utilized survey method with interview and questionnaire as the main research instruments. In addition, both convenient sampling and judgmental sampling were adapted for the research in selecting customers of the malls. In essence, the study utilized both secondary and primary sources of data.

The study also analyzed the correlates of consumer patronage of shopping malls using regression model. The data analysis done in chapter four enabled the researcher to test the research hypothesis as well as answered the research questions posed in chapter one.

**Conclusions**

In examining the correlates of consumer patronage of shopping malls, the following are the major findings of the study:

The result of the research shows that shopping at malls is highly influenced by the physical, cognitive and economic variables. Consumer patronage of the shopping malls in Nigeria tends to be influenced by the ambience of the shopping mall and convenience which attract higher customer traffic to the malls. The ambience include peripheral mall ambience like car parking, security standard, access to public transport from the mall. The inside mall ambience consists of showers and vegetation, air-conditioning, lighting, recreational place, hall way and shopping space, relaxing benches and terrace attraction.

Shopping malls adopt marketing strategies to attract patronage. These are creative sales events, product demonstration, in store advertising, customer interaction, recreation and newness of products.

Product attributes which include quality of the products, price, availability of new product and product value act as stimulus in influencing consumer choice of shopping malls.

The study reveals that shopping arousal is largely driven by mall attractions, interpersonal influence, sales promotion and competitive gains among shoppers in reference to recreational facilities, location, reference to products and services, brand value and price.

Promotional attractions have a positive impact on customer patronage of shopping malls. Promotional attractions include: product display, in-store ambience, availability, length of promotion and value added benefits.

The study established that there is a relationship between the shopping malls sales growth and middle and upper class patronage. It can be argued that a good portion of the sample belongs to the middle class and upper class of the society as their average income is more than N500,000:00 per annum. Also from the analysis, it can be observed that those who have higher income, majority of them prefer to patronize shopping malls than the traditional markets.

**Recommendation**

Based on the findings and conclusion of this study, the following relevant recommendations are made:

- Shopping malls are dynamic business centers which attract a large section of urban customers for experiencing modern shopping pleasure. A categorically planned assortment of stores in a mall would provide diversity: arousal and propensity to shop around the mall. Accordingly, mall managers should
develop appropriate tenancy policies for retaining firms in reference to the socio-demographic factors of customers to satisfy different segments. An appropriate mix of anchor tenants who have different target groups would better attract customers to shopping malls and such assortment of stores could co-exist in a shopping mall successfully without any conflict of interest. There is therefore the need for prospective shopping mall developer to nurture an environment conducive to the development of all components in the system for successful position of malls.

- In view of growing competition among retailers in the shopping mall, retailing firm need to adapt to a dynamic strategy for gaining success in the business. Retailers should lure customers into non-price promotions and develop snitch of customers to build brand loyalty. If a retailing firm chooses to compete on price, complex pricing actions, cutting prices in certain channels, or introducing new products or franking brands strategies may be used. This will make the firm selectively target only those segments of the customers who are at the edge of switching brand or retail outlets. Such strategies could be implemented in shopping malls.

- Promotional effects generated from various promotional tools should be monitored for longer periods of time and measured in reference to achieving the long-term goals of the shopping malls. Also variability of promotional response in different retail channels and outlets should be analyzed for making required modification in the process of delivery of promotional programs to the customers.

- There is the need for shopping mall management to increase social and recreational facilities in the malls. The recreational appeals for attracting customers to the malls also act as driving factors in augmenting the customer's traffic to the shopping malls.

- Shopping mall management should understand that shopping behavior among customers is governed by various platform such as credit availability and customer service. This could successfully connect various customer groups with shopping interest that will continue to build strength to the malls. At the retail point of purchase, convergence of customer loyalty, value for money and competitive product advantages drive the loyalty to retail stores.

- There is the need for government to monitor the sitting of shopping malls in order to ensure adequate space and avoid congestion. The major difference between the traditional market and shopping mall is the convenient atmosphere for shopping. The government should ensure free flow of traffic around malls so that even non users of the malls are not inconvenient.

**Suggested areas for further research**

Further research can compare modern shopping centers like the shopping malls with the traditional markets. Also research can be conducted by comparing consumer using various retail formats and consumers perception of product and store attributions on retail formats.

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Challenges of the Implementation of Water and Sanitation Projects in Gushegu District

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Abstract

Achieving the goal and objectives of projects implemented remains the desire of project decision makers in the Gushegu district. The Gushegu district assembly in collaboration with the development partners have implemented water and sanitation projects in most of the communities in the district. However, many of these projects have not achieved their desired objective of ensuring availability of water and good sanitation due to varied challenges. There are many people especially in the rural areas in the district who still do not have access to drinking water all year-round while others are still living in very poor environment condition after decades of interventions in the area of water and sanitation.

This research sort to uncover the main challenges of the implementation of these important projects aimed at leveraging the people from poverty and disease in the Gushegu district of the northern region of Ghana.

The study found that inadequate commitment level of project staffs, lack of involvement of the project beneficiaries in planning and decision-making process and some cultural beliefs system of the people of Gushegu challenges the successes of the water and sanitation project implementations. Also, inadequate financial resources on the part of the Gushegu district assembly and unpredictable funds flow from the development partners as well weak monitoring of the planned implementation challenged the successes of the water and sanitation projects in the districts.

Therefore, the Gushegu district assembly, the development partner in the water and sanitation area, the community members who are the direct beneficiaries needs to work towards behaviour change and re-examine the institutional partnership to succeed in these projects.

Keywords: Sanitation, implementation, water challenges.

Introduction

Water and sanitation planning at the district level remains the responsibility of the Gushegu district assembly. Under the section 10 of the local government act of the 1993, Act 462, the district assemblies (DAs) have been assigned the key roles as managers and planners of the overall socio-economic development of communities within their jurisdictions. The preparation of the district water and sanitation plan (DWSP) is a requirement by water and sanitation (WATSAN) sub-sector players so as to facilitate the implementation of WATSAN activities using the Gushegu district assembly resources. The Gushegu district assembly have been trained and assisted to prepare and implement the water and sanitation plan. The district received a lot of interventions from both local and international NGOs over the past decades in the area of water and sanitation. These interventions geared towards ensuring the availability of water for households and good sanitation in the Gushegu district. The impact water and sanitation projects make on beneficiaries are significant in the district. Notwithstanding this, the implementation of the DWSPs over the years has been fraught with considerable challenges. This research work discusses the challenges and makes recommendations to enhance the effectiveness of DWSPs in the Gushegu district to improve the water and sanitation situation. Undoubtedly, access to potable water and safe sanitation is a pre-requisite for sustained human development.

Methods

In the first stage, the participatory approach was used to conduct the study. This approach involved the participation of some important players in the Gushegu district such as WASH project managers, project stakeholders, the community youth and beneficiaries throughout the research, right from entry
and development of research instruments and tools, to the actual research and report preparation. Data collection techniques employed in the research included interviews and administration of semi-structured questionnaires.

The study used the purposive and convenience sampling techniques to select respondents. The first phase of the study involved meetings and discussions with key personnel in water and sanitation project intervention areas on the challenges associated with the implementation of the projects. The purpose of the meetings and discussions was to gain first-hand information from persons with practical knowledge in water and sanitation project management so as to compile a comprehensive data to undertake the research. This helped in preparing the research tools and instruments. The meeting was held for 15 individuals from different background whose contributions led to the successful development of research tools.

The second phase involved administration of research instruments (questionnaires) to both junior and senior staff of various organizations into water and sanitation, interview of stakeholders as well as the water and sanitation project beneficiaries on the research topic. A total of 250 individuals were involved at this stage of data collection.

This research was carried out in the Gushegu Township and some four (4) bigger villages within the district: Gaa, Katinga, Yawungu and Bulugu.

Data and information collected from the field were analyzed to bring out consistencies between different sets of data in order to draw meaningful conclusions. The Statistical Package for Social Sciences (SPSS) was used to analyze the data collected. The first task of the data analysis was to ‘display’ the data i.e. put them in an organized form in order to facilitate cross-referencing of findings and aggregation of data. This made it possible for quantification of key responses to the questions asked.

Some initial data cleaning, information gathering, and analysis were carried out at various stages of the data collection exercise to fill in gaps that emerged during the initial analysis to allow cycling forth between thinking about the existing data and generation of new strategies for collecting new data.

Results

Gender consideration

In managing water and sanitation projects in a developing district like Gushegu, issues of gender are very important because of the increasing campaigns for gender equality. The study seeks to understand the gender representation in water and sanitation projects implementations in the Gushegu district. Data collected revealed that 133 persons (53.2%) involved in the water and sanitation projects implementations in the district were males and 117 persons (46.8%) females. The results appears to be good because some women are involved in the implementation water and sanitation project activities, but I think there is the need for extra work to be done to close the gap between the male and female representation in project implementations in the district because of its sensitiveness. This would in part offer women the opportunity to play more meaningful roles on project implementation.

Sources of water for household use

The research sort to establish the main sources of water for the people of Gushegu district. The data gathered indicated that a total of 51 respondents (20.4%) derive their water from community dam, 97 (38.8%) regards the boreholes as their source water, and 49 (19.6%) said the hand dug wells are the source of their water. Also 20 (8%) responded that pipes are the sources of water to them while 33 (13.2%) mentioned streams/rivers as their source of water. This means that though majority of the people draw water from the borehole for their household use, there are many others in the district who derives their water from unsafe sources for household consumption. This should be a concern to many people especially development partners who invested a lot of monetary and other resources towards they provision of portable water in the rural communities in the district.

Sources of drinking water in Gushegu

Though the 2010 population and housing census report for the Gushegu district indicated that the sources of water that majority of the households depend on are: borehole/pump/tube well (55.1%) river/stream (16.2%), the data gathered by this research work shows that a total of 99 respondents
(39.6%) drinks from community dams, 50 (20%) relies on the boreholes as their source drinking water, and 53 (21.2%) uses water from the hand dug wells drinking. The results further indicates that 21 (8.4%) uses pipe water for drinking and 27 (10.8%) finds their drinking water from the streams/rivers. The results informed the researcher that although majority of the people in the research area derived water from the boreholes for household usage, the dams are rather main source of drinking water. This prompted the researcher to prop further to establish the reason why the community dams are the referred source of drinking water instead of the boreholes provided. From the interview with community leaders on the reason why some people do not drink from the borehole, they responded that the borehole water as well as the pipe water does not have good taste compared to the dam water. Hence, they consider those water sources as artificial which their tradition does not permit them to use such water for drinking, pouring of libation or preparation of food for the ancestors. The women also indicated that they are not able to preserve their food more a day when they use water from the borehole and pipes to cook. It is therefore clear to conclude that belief systems and tradition were considered seriously during the planning stage for the water and sanitation projects in the communities.

**Households have sufficient drinking**

The research also sort to find out how sufficient water is to the residents of the Gushegu district by asking the respondents. 20% of the respondents (50) stated that they have sufficient water for their household use all year round, 27.2% (63) has sufficient water only during the rainy season and 40.8% (102) has sufficient water for only 9 months period. However, 30 respondents representing 12% do have sufficient water all year round. It is clear from the data presentation that water situation in the Gushegu district is very challenging since high number of household do not have access to water throughout the year.

**Toilet facilities**

The majority of households (84.0%) have no toilet facilities and therefore use the bush or field for defecation. Households that use public toilets (WC, KVIP, Pit, Pan etc.) are the highest accounting for 7.3 percent, followed by KVIP (5.3%) and pit latrine (2.1%). At the locality level, nine in every ten (91.5%) households in dwelling units have no toilet facilities in the rural areas, the people resort to the use of bush or open fields. In the urban localities the proportion that do not have toilet facility is 59.5 percent. However, public toilet is the mostly used facility in urban localities (28.4%) while in rural areas the highest is the use of KVIP (4%) according to the 2010 population and housing report. Adequate sanitation is the foundation of development in modern era. But we cannot achieve or release good sanitation without the considering decent toilet or latrine facilities. Denying people basic sanitation is not only inhuman, but also kicks out the first step of a community’s development. When the research sort to know the number of respondents with toilet facilities the results shows that 98 representing 39.2% stated that they have household toilet facilities while 153 representing 60.8% of the respondents do not have household toilets facilities. The results of the interview and the group discussion on the ownership of toilets show that some people cannot afford the cost a household toilet while others especially the elders feels that it is not necessary to have toilet in the house when there is vast land and bush where they can defecate freely. This means that majority of the people or residents of the Gushegu district do not have household toilets, they rather defecate in the open while few others used the public toilets available.

**Residents using toilet facilities in gushegu district**

Owning a household toilet or latrine is not enough to ensure good sanitation in the Gushegu district but also using it appropriately is equally important. Responding to the question on whether the respondents uses toilet facilities for defecation or not, a total of 63 (25.2%) of the respondents confirm using toilets facilities for defecation while majority (187) representing 74.8% are not using toilet facilities for defecation. This confirms the baseline (2017) figure of 26.1% defecate in the open by World Vision Ghana (NGO) and 25.8% by USAID-RING project 2017 annual report for the Gushegu district. It also means that majority of the people in the district defecate in the open. Through the interviews and focus discussions, the residents indicated that their tradition (The Dagomba tradition) is
against defecating on another person’s faeces. Therefore since they cannot afford for individual toilet or latrines, the best way is to defecate in the open to avoid curses from the gods. This belief and perception in my opinion is affecting the progress of the community led total sanitation (CLTS) model introduced some of the development partners.

Refuse dumps in gushegu district

As part of the ways to establish how intentional the people of Gushegu district are towards sanitation, the researcher questioned to know where refuse are kept in the communities and even in the township. The response indicated that most of them do not keep refuse into the refuse dumps for varied reasons. While some complain of not having dust bins, others said the refuse dumps are too far from their houses. Also, few others stated that the district assembly failed to empty the refuse containers for them anytime it gets full. To avoid bad odor, residents prefer to throw refuse discriminately rather than sending it to the refuse dumps.

Feasibility study prior to water and sanitation project implementation

Conducting a feasibility study before the undertaking water and sanitation projects is very crucial to the success of the projects. Base on this, the research sort to find out from the interviewees whether or not feasibility study is often conducted for the water and sanitation projects in the district before implementation. The results indicated that 193 persons representing 77.2% said feasibility study is always conducted while 25 respondents representing 10% is of the view that no feasibility study is often conducted and 12.8% were not sure.

Because of the importance of feasibility studies to implementation of the water and sanitation projects, the research further prop to establish if the feasibility study conducted sometimes prior to implementation of water and sanitation projects in the district are always adequate or not. The analysis of the response indicated that the feasibility studies before the implementation of projects is inadequate. This can be interpreted that most organizations do not carry out feasibility studies prior to the implementation of most water and sanitation projects in the district, and even the few who do feasibility study fails to pay greater attention to the details of the study or the results before the implementation. This poses a lot of challenges to the projects during and after implementation.

Involvement of water and sanitation project staff in project planning

Planning contribute greatly to the success or challenges of any project in recent times. With this opinion in mind, the research asked interviewees to find out if water and sanitation project implementing staffs in the Gushegu district are always involve in the planning process before the implementation. A careful examination of the results indicated 202 representing 80.8% confirmed that the project staff are not always involved in the planning processes, 19 persons (7.6%) said the project staff are always involved and 29 respondents representing 11.6% were not sure if the staff are always involved or not. The differences in the responses are clear enough to conclude that water and sanitation project implementing staffs who are responsible for the implementation of the project plans does not participate in the planning process of projects. The researcher believe that full understanding of the project plan minimizes the challenge that affects the implementation.

Participation of project Beneficiaries in project planning

In recent time, international, government and non-governmental agencies realized that the main reason why many water and sanitation projects was (and still) face challenges during and after implementation is lack of active, effective and lasting participation of the intended beneficiaries. The research further sort to find out if the beneficiaries of water and sanitation projects are always involved in planning stages. The responds of the interviewees indicates that beneficiaries are always left out of the planning session. This is because, a total of 77 (30.8%) said the beneficiaries are always involve in the planning stage while 135 respondents (54%) is of the view that beneficiaries are not always involved. This simply means that planners of water and sanitation project in the district often left out an essential component (beneficiary participation and ownership) which fuels some challenges during implementation.
Reason for no Beneficiaries participation in project planning

After the research sort to find out why beneficiaries are not often involved in the planning of projects within the research area, majority of the respondents representing 45.2% said the misconception that beneficiaries cannot contribute meaningfully to the decision making of project is the main reason for the neglect. Other factors identified include: time constraints, organization requirements or policies and the assumption that planning does concern beneficiaries. Despite that respondents identified some reasons for the no involvement of beneficiaries in project planning process, some respondents did not know why beneficiaries are often left out.

The effectiveness of project planning and design

Establishing the implementation challenges of water and sanitation projects within the research area, the respondents were asked to describe the level of effectiveness of the planning and the designing process of projects carried out in the past. The results of the their responds shows that 77.6% said the planning and designing process is always not effective, 17.6% indicated that the process is effective and 1.6% responded to show that the process is very effective. Also, 4% felt the process is somehow effective, 2.4% of respondents saw the process to be poor while 4% do not know anything about the planning and designing process. The data implies that most if not all the planning and design processes for implementation of water and sanitation projects in the district is poor. Due to this, many water and sanitation project do not meet the expectations in terms of budget, deadline, and product quality.

The effectiveness of the water and sanitation project leadership

When participants were asked on the competence level of leadership in water and sanitation projects implemented within the district or the research area, the results proved that 39.2% project leaders are very competent, 36.8% of project leaders are competent and 20% said they are always fairly competent. However, 2% thought that project leadership are always incompetent while 8% could not tell whether or not the project leaders are always competent. Based on the views of the respondents it is clear that the competence of water and sanitation project leadership is not a challenge in the research area since the respondents indicated that the leaders are always very competent.

Water and sanitation projects decision making

The research recognized the fact that decision making may be a challenge to the implementation of most water and sanitation projects in the Gushegu district. The views of respondents were sort on who influences decision making process on projects. The outcome of the research shows that top management members who are not in the project area most often influences the decision making of the projects in the research area while the project team members are the among the least in terms of decision making regarding the implementation of the project they are working on. The fact that water and sanitation project managers and staff who are supposed to monitor and manage project activities as well as handle issues with beneficiaries, report on progress among others do not actually influence the decision making of the project is a challenge that affect the successful implementation.

Working relationship between project staff and beneficiaries

Considering the beneficiaries acceptance of interventions in water and sanitation projects is very crucial. The working relationship between the project staff and the beneficiaries can influence its acceptance which eventually affect the success of the project implementation. As a result of this, the research also sorts to find out from the respondents the relationship that often exists between project staff and the beneficiaries as far as water and sanitation is concern. The results show that 22.4% of the respondents felt the relationship is often good, 36.8% said the relationship is always very good, 38.8% also felt the relationship is average and only 2% indicated that the relationship is poor. Therefore, the working relationship between water and sanitation project staff and the beneficiaries is average and therefore may not be too good to achieve project success. Water and sanitation is an issue that related to human behavior. There is the need for very good working relation between the project staff and its beneficiaries.
Mode of water and sanitation project managers’ selection

The research suspected that the selection procedures for the project manager position can affect the success of the project implementation. As part of the question on the challenges of water and sanitation projects within the area of study, the respondents were asked on the project manager selection criteria in most water and sanitation projects carried out within the research area. The responds gathered indicates that 51.2% of the respondents said the selection of water and sanitation project managers is always base on the academic qualification of persons, 18.8% responded that the selection is based on favoritism and 14.8% said the selection is based on the competence level of the persons. Also some respondents (11.6%) said the selection criteria is based on the experience of persons and 9% of the respondents felt the selection criteria for the project managers is based on the length of service of persons. From the results it is clear that the selection criteria are based on other factors such as academic qualification and favoritism rather than competence of people. Since competence and experience are not the major components considered during the selection of project managers within the study area, which explains why most water and sanitation projects implementation are challenged. It is enough therefore to conclude that the mode of project managers’ selection is one of the many challenges of water and sanitation projects in the Gushegu district.

Mode of project field staff selection

The contribution of the project field staffs to the success or otherwise every water and sanitation projects implementation cannot be underrated, this explains why the study was interested in finding out from respondents the mode of selection of the water and sanitation project staffs in projects implemented within the research area. The responds gathered shows that 53.2% said the selection mode is based on academic qualification of persons, 20% indicated the selection is based on the competence level of persons and 14.4% thought the selection mode is based on favoritism. Other respondents representing 9.6% chose to say that the selection criterion is based on the experience level of persons while the remaining 2.8% indicated that the selection is based on length of service of the people. The results clearly show that the selection criteria are based on other factors such as academic qualification and favoritism rather than competence and the experience level of people. Since competence and experience are not the major components considered during the selection of water and sanitation project field staffs within the Gushegu district, the projects are often opened to many implementation challenges such as missing of targets, under execution etc. in the Gushegu district.

Project implementation teams’ commitment to work

The role of the entire water and sanitation project team members is very important to the success of projects in the research area. The project team members are mostly the field workers and implementers of project activities and their commitment level contribute the success or failure of a projects. The research also sorts to find out if they are always committed to their work. A total of 142 representing 56.8% were sure that project teams are not always committed to their responsibilities, 67 representing 26.8% said project staffs are committed to their work and 41 representing 16.4% were not sure of the commitment of project team to project work and their responsibilities. The results above indicate the commitment of water and sanitation project teams is a challenge to the implementation of the project in the Gushegu district. Water and sanitation project activities requires field visit, observation, use and management of project funds, collecting data on progress and reporting etc. All these and others requires commitment to achieve results.

Water and sanitation Project teams’ motivation

Everyone gives his or her best to doing something when well-motivated. Most projects succeed when the project staffs or the team involve are given the necessary motivation. In lieu of this, the research sorts to find out from respondents how their feelings are when it comes to the water and sanitation project team motivation. In this regard, 38 percent of interviewees believe that project teams are well motivated with 31.6 percent stating that the project staffs are motivated. Only 20 percent said they are not motivated while 10.4 percent are not sure of project staff motivation. It is clear that water and
sanitation project team members are well motivated yet they are not commitment to their responsibilities which is a challenge to the success of the water and sanitation plans in the Gushegu district

**Weak monitoring of water and sanitation project implementation**

Monitoring of the implementation of the district water and sanitation plan as well as the implementation of the water and sanitation projects activities in the Gushegu is generally weak. Effort at monitoring the implementation of water and sanitation projects to a large extent only carried out on donor funded projects from world vision, RING, SPRING and UNICEF where some financial support is made available to the DWSTs to undertake routine monitoring exercise. As for the Gushegu district assembly, monitoring of water and sanitation intervention in communities’ end upon the completion of the project just because of lack of financial resources to the DWSTs.

**Water and sanitation project goals and objectives**

A well written goal and objective is always crucial because of its effects on every step of the project life cycle. When you create a goal and a specific objective, you give your team a greater chance of achieving the objective because they know precisely what they’re working towards. When asked if goals and objectives set are always SMART enough to have a successful implementation of the projects, 67.6 percent of the interviewees said the set goals and objectives are always not SMART, 17.6 percent said they are SMART enough and 14.8 percent said they were not sure of the goals and objectives been SMART. This simply means that though there are Goal and objectives for the water and sanitation projects of the district, these goals and objectives are not always SMART enough to guide the implementation process of the intervention. It is therefore considered to be one of the challenges facing the success of the projects in the Gushegu district.

**Water and sanitation projects funds commitment**

The Gushegu district assembly and development partners fund the implementation of water sanitation projects. The disbursement of the funds from the district assembly common fund (DACF) is always unpredictable likewise the development partners for the implementation of water and sanitation projects outlined in the district water and sanitation plan (DWSP). This situation affects payment of drillers, contractors, suppliers, consultants and other service providers working on the water and sanitation projects at the Gushegu district level.

**Discussion**

**Institutional framework of water and sanitation projects in gushegu district**

Throughout the history of Gushegu, water resources development as well as water service provision has generally been treated as a government task. Water is often viewed as a public good, requiring government investment and management for various reasons.

The implementation of the district water and sanitation plan (DWSP) is to a large extent by the district water and sanitation team (DWST) with the active collaboration of other relevant agencies/departments at the Gushegu district assembly. To date, the DWSTs have not been fully integrated into the institutional framework of the Gushegu district assembly.

The works department of the Gushegu district assembly is responsible for the provision of portable drinking water to the people according to the local government act of 2009 (L.I.1961). Under the works department, the Water Board and the Water and Sanitation Management Teams (WSMTs) are formed to manage, maintain and repair water facilities as well ensure sustainability in the districts. As part of their responsibilities, the environmental health unit of the Gushegu district assembly works to ensure good sanitary environment in the district. The district assembly relay on government of Ghana (GOG) funding as well NGOs and private individual support to implement the activities of water and sanitation.

**Non-governmental organizations (NGOs) in the gushegu district**

Over the years, NGOs in Ghana have adopted several measures aimed at supporting the central government to address the socio-economic conditions of the people to redressing the imbalances between rural and urban areas in terms of development. In the Gushegu district, many NGOs have
implemented and continue to implement varied activities geared towards improving water and sanitation situation issues in the district. These NGOs include; World Vision Ghana, UNICEF, USAID-RING project, SPRING, Water Aid and New Energy. Aside these development organizations, there are private institutions and individuals whose contribution to the water and sanitation projects implementations cannot be underrated. Over the years, these NGOs have partnered with the Gushegu district to implement water and sanitation activities in over 300 rural communities in the district.

Roles and responsibilities of institutions in water and sanitation in gushegu

The small towns’ sector policy recognizes the district assemblies as the focal point for the delivery of water and sanitation facilities and as the decentralization policy places the responsibility of development at the local level on the district assemblies, as such, all other development programmes are routed through the Gushegu district assembly. These responsibilities make the Gushegu district assemblies engaged in all year round multiple development programmes. The district assembly is noted to be confronted with challenges of inadequate numbers of skilled staff, lack of office space and residential accommodation for staff, etc., making them inefficient in meeting deadlines. It is imperative to state that the district assemblies as the highest political authorities in the districts have been involved in unproductive interference in the works of other actors in the water and sanitation sector. The DWST under the district assembly also monitor technical and financial issues regarding the water and sanitation project implementation in the communities.

The Gushegu district’s development partners such as world vision Ghana (WVG), The United Nations Children's Fund (UNICEF), USAID-RING Project, SPRING, New Energy, Water Aid etc., have been involved in the provision of water and sanitation services to the people of Gushegu. These development partners provide either 100% financial support to the district assembly who then implement water and sanitation activities in the communities or they provide the assembly the material support and capacity building of their staff and other community leaders on sanitation and water management.

There are also private institutions and individuals such as pump tech ventures, chasney ventures and others who provide consultancy (design and construction supervision, training, institutional support, etc. relating to water and sanitation in the Gushegu district. These institutions and individuals also supply equipment, spare parts for boreholes constructions and repairs as well as the constructions and repairs of toilets facilities.

At the community level, the community water and sanitation management teams (WSMTs) formed by the district assembly also work towards ensuring transparency in water and sanitation facilities Management in their respective communities.

Exploring the cultural values of gushegu towards water and sanitation projects

As part of the ways of uncovering the implementation challenges of water and sanitation projects, the research explored and examine the socio-cultural values of the people of Gushegu district who are Dagomba and Muslim dominated. The researcher suspected that the way of life of the people (Culture), the tradition and their beliefs system could affect the implementation standards of water and sanitation in the district.

Influence of development partners

Since the Gushegu district assembly is unable to raise enough funds internally for the implementation of the DWSP and has to rely on the support of the development partners, they have to succumb to the schedules and terms of the development partners. Most of the development partners’ projects are time bound with tight schedules while some are not tailored to suit the socio-cultural milieu of the Gushegu district.

Conclusion

The Gushegu district assembly have generally not been able to expand the tax base of the district and often rely on returns from a few revenue items and heavily on the development partners for the implementation of water and sanitation projects in the communities. This issues allows the development
partners to influence the operations of the district assembly on very essential issues such as water and sanitation. The Gushegu district water and sanitation teams (DWSTs) are under-resourced in terms of logistics and funds by the assembly. This affects their effective implementation of the district water and sanitation plans (DWSPs).

Also, the results of the research indicated that most of the water and sanitation projects goals and objectives are not always SMART enough to succeed. The ambiguity of the goals and objectives in most time affects the implementation and the final impact the projects in the research area.

Another important challenge worth mentioning is the behavior and attitudes of the people of the research area. Though the government of Ghana and the development partners have invested a lot of resources aimed at improving sanitation and the water situation the Gushegu district the attitude of the residence of in the district is challenging the implementation of the projects.

As part of the ways of uncovering the implementation challenges of water and sanitation projects, the socio-cultural values of the people of Gushegu district who are Dagomba and Muslim dominated serve as a challenge to the smooth implementation of the water and sanitation projects in the Gushegu district.

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References


Human Resource Management and Its Impact in Healthcare Services in Nigeria

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Abstract

Human resource management in healthcare system play indispensable roles as it enable effective healthcare service delivery through staff performance monitoring and evaluation, compensation as well as recruitment of competent employee. This study reviewed the impact of practicing human resources management on the quality of healthcare service in proffering efficient treatment to patients. The study shows that effective human resources management great impact in efficient healthcare services and can significantly improve the performance of healthcare workers. The study recommends the necessity to measure the routine of the Head of human resources department in healthcare sectors before stabilizing performance development process as well as continuous improvement in staff capacity building for effective service delivery while more research should be done on this subject as it relates to patients’ safety.

Keywords: Human resource management, healthcare services, Nigeria.

Introduction

In the healthcare services, human resource management (HRM) was defined by WHO (2000) as the different kinds of clinical and non-clinical staff responsible for public and individual health intervention. In a more broad term, Human Resources Management (HRM) is a dynamic management task in the field of healthcare services as it plays an active and vital role in the success of the restructuring of the health sector (Howard et al., 2006). This aspect of management deals with the development of both individuals and the organization in which they function. HRM is not only involved in securing and developing the talents of individual workers, but also in implementing programs that enhance communication and cooperation between those individual workers in order to support organizational development (Elarabi & Joha, 2014). Numerous documented literatures have disclosed the roles of human resources management in developing the quality of healthcare services and found that the incentives and providing motivation to work and follow the system of bonuses by competencies improve the performance of individuals working in hospitals (Patrick, 2011; McKinnie, 2011). Organizations in general deploy Human Resources (HR) departments with the aim of improving performance. Despite great roles played by the HR department in the health sectors, a number of healthcare systems are still experiencing poor service delivery. This study therefore aimed at reviewing the impact of human resource department in healthcare services in Nigeria and to offer considerable suggestions.

Theoretical models on HRM

According to Patrick (2011), Human Resources Management (HRM) is responsible for the attraction, selection, training and assessment and rewarding of employees as well as overseeing organizational leadership and culture and ensuring compliance with employment and labor laws. Naturally, the definition of human resource management would be incomplete without further explaining what the terms of ‘human resources’ and ‘management’. First and foremost, people in work organizations, endowed with a range of abilities, talents and attitudes, influence productivity, quality and profitability. People set overall strategies and goals, design work systems, produce goods and services, monitor quality, allocate financial resources, and market the products and services. Individuals, therefore, become ‘human resources’ by virtue of the roles they assume in the work sectors. Employment roles are defined and described in a manner designed to maximize particular employees’ contributions to
achieving organizational objectives (Zairi, 2007). A common definition of HRM remains an enigma and, in many aspects, what HRM is purported to represent has not moved beyond some key principles laid down in the 1980s (Fombrun et al., 1984; Hendry and Pettigrew, 1986; Guest, 1987; Storey, 1989; Armstrong, 2000). Human Resources Management is defined as a system of activities and strategies that focus on successful management of employees and working staff inside the organization to achieve the goals of the organizations (Valverde & Ryan, 2006). Armstrong (1999) defined HRM as the aspect of management that specializes in the management of people in work organizations. HRM emphasizes that employees are critical to achieving sustainable competitive advantage, that human resources practices need to be integrated with the corporate strategy, and that human resource specialists help organizational controllers to meet both efficiency and equity objectives. Some scholars claim that HRM can lead to specifically measurable business outcomes (Huselid, 1995). Equally, HRM has its critics (Sisson, 1994; Legge, 1995) both of whom view HRM as a symbolic excuse to enhance managerial legitimacy where the management of individuals has been intensified within an enterprise culture (Keenoy and Anthony, 1992).

Factors affecting healthcare practices in Nigeria

Chan and Mak (2012), reported that the mediating role of perceived safety climate in the relationship of HRM and organizational performance in healthcare delivery cannot be overemphasized as organizations can benefit from effective HR practices by paying attention to employees’ safety issues, which in turn result in better organizational performance. According to Raufu (2002), shortage of competent health care providers constitute the greatest challenges confronting the healthcare system in Nigeria. As a result of inadequate infrastructure and poor compensation packages, a considerable number of physicians, nurses and other medical professionals evade to developed countries in search of fulfilling and lucrative positions (Awofeso, 2008). Chankova et al. (2007), stated that Nigeria healthcare challenges are depended upon the following factors: (i). insufficiently resourced and neglected health systems; (ii). Poor human resources planning and management practices and structures; (iii). unsatisfactory working conditions characterized by: heavy workloads; lack of professional autonomy; poor supervision and support; long working hours; unsafe workplaces; inadequate career structures; poor remuneration/unfair pay; poor access to needed supplies, tools and information; and limited or no access to professional development opportunities; (iv). Internal and international migration of health workers. According to WHO (2007), these have been compounded by other socioeconomic and political factors in the environment as the overall availability, accessibility, quality and utilization of health services decreased significantly or stagnated in the past decade and the proportion of households residing within 10 kilometres of a health centre, clinic or hospital is 88% in the southwest, 87% in the southeast, 82% in the central, 73% in the northeast and 67% in the northwest regions. HRM is an essential function of both public and private organization sector as it deals with the management of an organization's workforce, or human resources.
Importance of HRM in healthcare services

The role of human resource management in healthcare services is more concerned with the development of both health workers and non-health workers in both privates and public health sectors. Keating (2011), stated that human resource professionals in the health sectors carryout fundamental activities in monitoring daily routine activities of the healthcare workers as well as regulate and implement staff recruitment, performance and appraisal. Since human resource management in healthcare services can greatly influence health system involving healthcare workers with a complex mixed of skills and motivations through evolving training and development workshop on staff engagement and performance (Uneke et al., 2007). Effective HRM practices have been found to positively influence outcomes connected to organizational commitment, service delivery and patient care in health sectors therefore making it a crucial element in promoting healthcare quality and safety (Pereira et al., 2013). According to Elvira (2013), the significant role of human resource department in healthcare services is to find qualified candidates for various positions in health care institutions thereby, working closely with them and training them on the responsibilities that individual are required to carry out hence ensuring that they comprehend their job description.

Recruitment of competent staff that will build and encourage patients-focused culture

HR can impact in healthcare services by recruiting competent employees who fit into the organization's culture, focusing on retention and contributing to learning initiatives that increase employee engagement as regarded to patient’s safety (Becker, 2012). Most important component of maintaining patient safety is making sure employees buy in to a healthcare organization's values and culture. Russell (2018), similarly reported that health care facility needs the expertise of qualified and reliable members to ensure adequate delivery of health care services, limit complaints from patients and prevent sanctions from authorities which is being evaluated by the HR manager. HR manager must ensure that the performance of recruits and employees is up to par and must address disputes arising between employees and management and finding working solutions to address such disputes (Russell 2018).

Training and development of health workers

The HR professionals must carefully design programs that benefits the overall organization as well as the individual. The training initiatives includes apprenticeship, internship, job rotation, mentoring and new skills programs (Greenlaw & John, 1986).
Performance appraisal of health workers

Performance appraisal and training activities of health workers happened to be one of the primary function of human resource department in health care system as it provides feedback on the staff performance which allows them to evaluate the appropriateness of their behaviour in the eyes of their coworkers and correct weaknesses and improve contributions (Minehan, 1997).

Healthcare workers remuneration and compensation

Compensation refers to HRM duties related to payment of employees’ wages and provision of incentives. Greenlaw & John (1986), asserted that HR professionals are typically charged with developing wages and salaries system that accomplish specific organizational objectives such as employee retention, quality, satisfaction, appraisal and motivation.

Implementing health human resource planning (HHRP) reform

Health human resource planning provides health managers a systematic way to make staffing decisions in order to better manage their human resources based on a health worker’s workload, with activity (time) standards applied for each workload component at a given health facility (WHO, 2010). An essential component of planned HRH targets is supply and demand modeling, or the use of appropriate data to link population health needs and health care delivery targets with human resources supply, distribution and productivity (Dreesch 2005). According to Health Canada (2011), in resource-limited countries like Nigeria, HRH planning approaches are often driven by the needs of targeted programmes or projects, for example those responding to the Sustainable Development Goals (SDGs).

Figure 2. Flow chart showing the various roles of HRM in healthcare services

Strategies for effective HR practice in healthcare services

Pfeffer & Veiga (1999), stated that giving employee the privilege to contribute their ideas in an organization will enable them work harder due to their increased involvement and commitment. HRM practices enhance the social climate of the organization, creating higher levels of trust and cooperation among employees which in turn, drives performance (Collins & Smith 2006). Across the globe, healthcare reform committees have criticized the control-based people management approach employed in hospitals. This has provided the impetus for ongoing recommendations for hospitals to adopt a
commitment-based approach to HRM (Boselie et al., 2003). According to Snell (1992), managers can make the strategic choice of a specific control mode, including behaviour control, output control, or input control in order to equip the workplace with employees who have the right skills and abilities to do their job effectively. Behavioural control seeks to regulate employee actions through standardized jobs through HR structuring work and operating procedures and ensuring that employees adhere to established rules through managers closely monitoring behaviour (Ouchi, 1997). Input control focuses on the socialization of employees to the values of the organization as well as significant investments in recruitment and training of staff (Lawton & Parker, 1999). Output control focuses employee behavior through goal setting (Hill & Hoskisson, 2007). This entails communicating standards and goals and then providing staff with discretion in methods used to pursue established targets (Snell 1995).

Conclusion and recommendation

The impact of human resource management in the health care system very imperative. The HR professionals in health sectors should have a vibrant planned direction and clear objectives to advance the management of employees and staff in health care system.

With respect to the current challenges affecting healthcare practices in Nigeria and the numerous impact of human resource management in this sector, the following recommendations are made in order to enhance effective service delivery.

- It is to measure the routine of the Head of human resources department in the healthcare services before stabilizing performance development process as well as continuous improvement in staff capacity building for effective service delivery.
- It is paramount to engage healthcare workers in the higher practical responsibilities in order to involve them with confidence in their daily discharge of duties.
- Addressing health workers remuneration and wages will create more impact in HR practices in public and private health sectors.
- This study recommend further researches to be carried out to further propose more strategies for effective HR service delivery in healthcare settings.

References

The Impact of Electronic Banking on the Profitability of Banks: A Case Study of Banks in Ghana

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Abstract

Electronic banking basically refers to performing banking functions or transactions using a smart technology inclined device or the internet.

Information Technology has recently influenced banking operations, transactions and service delivery. It has provided a channel through which banking is done in convenience, thereby, reducing customer queues in banking halls, administrative expenses and the complexities associated with traditional banking.

However, the disadvantages of electronic banking are quite significant. They include unauthorized data access, data loss and fraudulent activities.

Using the internet, banks display all relevant information regarding their products on their website which is easily accessible to customers. Through modern technology, branches are networked using terrestrial or satellite links such that customers can visit any branch of their bank to transact business and transfer funds both locally and internationally.

This paper discusses e-banking, various definitions, examples, advantages and limitations, electronic banking in Ghana and its impact on the profitability of banks in the Ghanaian banking industry.

From the study, e-banking adoption was a business strategy the bank used in response to customer needs and the changing marketing trends in the banking industry.

Obviously, tremendous benefits such as revenue generation, improved productivity, efficient service delivery and cost savings accrue from e-banking. The lack of a solid technology infrastructure was identified as a major challenge of e-banking adoption in the country.

Keywords: Electronic Banking, Efficient Service Delivery, Modern Banking, Convenient Banking, Customer Satisfaction, Banking Services.

Introduction

Bank transactions, payment for goods and service and general cash exchanges through business transactions form an integral part of the world’s economic activities.

In recent years, competition in the Ghanaian banking industry has been on the rise. Since the 1980s, the banking sector in Ghana has seen significant reforms in an effort to improve upon the industry’s operations for economic growth and development and to serve customers better (Brownbridge and Gockel, 1996).

Ahiabor (2013) showed that, in the West African Sub-Region, the Ghanaian banking industry is the most vibrant and has attracted quite a number of foreign banks resulting in increased capitalization and an improvement in profitability.

However, the county’s banking sector has in recent years also been faced with challenges such as consistent increase in interest rates, high inflation and an alarming increasing ratio of non-performing loans (Bawumia, Belnye and Ofori, 2005).

Ahiabor (2013) explained that stakeholders have expressed concern and have advocated for ways of solving the afore-mentioned challenges. Hence, it has become necessary to determine the aspects of banking which drive profitability in the Ghanaian industry so that stakeholders can pay more attention to these areas.

Electronic Banking forms part of the many aspects of banking which contribute to the profitability of banks.
Electronic banking, is a term which refers to the automated delivery of traditional and modern banking products through electronic channels based on information and communication technology. It offers customers the opportunity to access to their accounts, execute transactions, and obtain information on financial products and services through a public or private network such as the internet (Drigă & Isac, 2014).

In this paper, the researcher seeks to determine the impact of electronic banking on the profitability of banking using the Ghanaian Banking Industry as a Case Study.

**Problem statement**

Currently, there is much competition and modern day customers are more sophisticated and have high expectation regarding banking services. Hence a number of banks in Ghana offer electronic banking services to enable them gain competitive advantage in the banking industry.

This study will reveal how electronic banking contributes to increasing the profitability of banks in Ghana.

**Literature review**

With the development of information and communication technology in the 21st century, clients many options of communication and business transaction channels have evolved around the world.

The banking industry has had its fair share of the revolution of information technology as new services such as internet banking, telephone or mobile banking among others have originated (Chovanová, 2006).

Drigă and Isac (2014) showed that banks operate in a keenly competitive industry which requires that each bank brand ought to standout so that customers can differentiate a particular bank from among the lot.

Also, Chovanová (2006) showed that customers have become more sophisticated and technologically inclined. Hence, it is necessary for banks to review and upgrade their means of product delivery to meet the changing customers’ needs and the evolution of technology in this age.

**Definition of electronic banking**

Quite a number of researchers and authors have defined e-banking services as a modernized way of providing traditional banking products and services through the use of information and communication technology.

There are various precise terms used interchangeably to refer to one form of electronic banking service or the other: Online banking, Home banking, Computer (PC) banking, Internet banking, Web banking, Phone banking, Remote electronic banking, Virtual banking, Mobile banking etc., are often used fundamentally when referring to electronic banking.

Electronic banking has been defined in many ways by researchers mainly because it does not refer to one but a series of channels through which customers can make inquiries and execute transactions such as telephones, digital television, computer or mobile phone.

It is entirely automated facility based on IT delivery mechanism to conventional banking users’ products and services. It provides online medium of conducting and providing various banking services, such as, online accessibility of bank account, online fund transfer facility, online bills paying facility etc. The benefits provided by e-banking medium have resulted into swift growth of banking sector worldwide.

According to Keivani et al. (2012) electronic banking is “an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution”.

According to Jehangir, et al. (2016) “Electronic banking is an automated delivery of new and traditional banking products and services, using electronic channels, like computers and telecommunication technologies. The e-banking customers, either individual or business wise, could access their accounts; make enquiries; initiate and perform transactions via electronic channels”.

Furst, Nolle & Lang, (2009) defined electronic banking as the use of the Internet as a channel of delivering banking services. These services include traditional ones, such as opening a deposit account and
transferring funds from one bank account to the other different accounts as well as modern banking services electronic payment of utility bills and electronic loan applications.

Daniel (1999) defined electronic banking as the delivery of services and information on bank transactions to customers as well as the distribution of information and services by banks to customers using intelligent devices such as computers.

The Basel Committee on Banking Supervision is the source of one of the most common definitions of electronic banking as follows: “e-banking includes the provision of retail and small value banking products and services through electronic channels as well as large value electronic payments and other wholesale banking services delivered electronically” (BCBS, 1998).

Nigudge and Pathan (2014) explained that electronic -banking involves applies information technology through a Computer-Controlled System. This system is an interface where customers van have direct access to having their banking needs met in the comfort of their location without visiting the bank’s premises.

**Types of electronic banking products and services**

(Chovanová, 2006) showed that the types of electronic banking include but are not limited to Telephone banking, automated telephone system and SMS banking. Smart Cards such as credit and debit cards, mobile banking. Electronic Funds Transfer (EFT) system, electronic clearing services and internet banking all from part of electronic banking products and services (Nigudge & Pathan2014).

Agrawal (2016) showed that common electronic banking services include transactional activities such as loan applications, funds transfer and utility bill payments as well as non-transactional activities like cheque book requisitions, stop payments, issuing online bank statements and updating customers’ personal information.

**Advantages of e-banking**

When compared with traditional banking, electronic-banking has several advantages.

Customers have access to instantaneous service provision and lower transaction and account maintenance costs without having to physically visit a bank (Gilani, 2010). Nigudge & Pathan, (2014) showed that electronic banking is convenient in the sense that customers can obtain funds at any time from Automated Teller Machines when in urgent need of money. With smart cards such as credit and debit cards, customers are able to make payments and obtain discounts from retail outlets. Also, customers can easily transfer the funds electronically from one branch of a bank to another branch or from one bank to an entirely different bank. In addition, customers have the opportunity to modify the password information of their credit cards. They are also able their own limits or right for the use smart cards.

Most banking stakeholders agree that e-banking ensures accessibility through a type of advanced information system 24 hours in a day and seven day in a week (Mobarek, 2007).

Electronic banking is safe as it ensures the installation of safe and high-end firewall and data encryption software which protect the integrity of customer data. Regarding safety, customers are assigned individual PINs (personal identification numbers) which enable them to access their online accounts. Also, as a safety strategy, more often than not, customers are logged off their accounts automatically after a few minutes of inactivity (Agrawal, 2016).

Electronic banking transactions involve low charges, less paper work and less human errors. Hence customers feel confident and are encouraged to use it (Kiang et al., 2000; Howcroft et al., 2002). Electronic banking is mostly cost efficient as service. For example, Automated Telephone Banking comes at no cost at all. Internet banking also require very little data at an almost insignificant cost (Chovanová, 2006).

Electronic banking serves as medium of advertisement for banks to introduce their products and services to customers and prospective customers Agrawal (2016).

**Activity review**

Business owners, accounting staff and other approved employees can access routine banking activity such as deposits, cleared checks and wired funds quickly through an online banking interface. This ease of
review helps ensure the smooth processing of all banking transactions on a daily basis, rather than waiting for monthly statements. Errors or delays can be noted and resolved quicker, potentially before any business impact is felt (Vyas, 2018).

**Limitations of e-banking**

Despite its remarkable advantages, internet banking also has the following disadvantages:

To conduct a successful electronic banking transaction, like paying bills online, customers require basic computer skills and the ability to browse the internet. However, not every customer is computer literate and this is a major disadvantage to electronic banking (Johnson, 2018).

The customers’ personal number e.g. account number and Personal Identification Number (PIN) as a numerical password are often used for passive operations. Here, however, the risk of misuse is relatively great because everyone who gets to know the personal number and password will be able to access the customer’s bank account (Chovánová, 2006).

Some customers may still value chatting and interacting with bank tellers, managers and other bank clients. Electronic banking reduces human interaction as impersonal processes take over the banking process.

Most electronic banking services may not be useful of accessible without internet connection (Agrawal 2016).

Another issue is that sometimes it becomes difficult to note whether your transaction was successful or not. It may be due to the loss of net connectivity in between, or due to a slow connection, or the bank’s server is down (Johnson, 2018).

**Evolution of e-banking in Ghana**

For decades, the forms of technology used in corporate environments to make service delivery to customers more efficient and for bank transactions in Ghana were mainly automated office devices such as Photocopiers, Telephones and Fax machines. When the competition in the Ghanaian banking industry started getting keener in the 1980s, computers began evolving as banks used them for their back office operations and teller to carry out teller duties. As computer technology advanced, banks in the industry began networking their branches (Abor, 2014).

Bank of Ghana (2008) showed that the banking industry in Ghana has readily undergone growth due to a liberalization of the banking industry sector by the Bank of Ghana in their bid to ensure a positive economic environment. In recent years, the central bank has introduced the Ghana Interbank Payment and Settlement System which enables common electronic platforms to be used for payments across bank and non – bank financial institutions in Ghana.

The adoption of electronic banking in Ghana started with the introduction of the ATM. In 1995, The Trust Bank, Ghana which now a member of the Ecobank Group introduced the Automated Teller Machine (ATM). Not long after, competition set on as most major banks in the country also introduced ATM services to their customers (Enu and Gberbi, 2015).

Abor (2014) explained that customers of banks in Ghana consider the ATM as an important aspect of banking and its existence in the services rendered by a particular bank contributes to their choice of a bank. Hence, banks in the industry which delayed in introducing ATM services have suffered almost irremediably. Though ATMs have enjoyed great success because of the many benefits associated with using it, researchers have recognized that it is possible for banks to improve their competitive stance and profitability by providing their clients with more electronic products and services.

**Impact of electronic banking on the profitability of banks in the Ghanaian banking industry**

In the Ghanaian banking industry, adopting electronic banking and investing in information and communication technology in the delivery of banking products and services is now essential in a bank’s quest to achieve profitability.
SCN Education B.V. (2001), suggested that E-Banking generates revenue as there are few banks who provide services online on the internet, they are considered as leaders of technology implementation and have better brand image than other banks; costs are reduced on services provided online, such banks efficiently judge the needs of their customers because of regular feedbacks.

Electronic banking results in an increase in productivity as it minimizes the need to physically visit the bank and decrease the time involved in performing routine banking activities. Hence customers spend their time and energy on focusing on their various means of earning a livelihood rather than spending time in long queues in banking halls: they become more productive and earn more money which will eventually end up in the bank as part of cash deposits thus increasing the deposit mobilization values of the bank.

Vyas, S. (2018), argued that though what the future holds is bright regarding the adoption of electronic banking in Ghana, the phenomenon however involves quite a number of teething challenges. These challenges include internet connectivity, high cost of implementation, Security concerns for customers, perceived customer readiness and other problems they encounter.

Some of the banks in Ghana that have implemented internet banking have achieved success regardless of its challenges. These indicate that electronic banking increases profitability as these banks have demonstrated enough zeal for electronic banking despite the challenges and are bent on educating customers, igniting the interest of customers and enrolling.

**Conclusion and recommendations**

The introduction of electronic banking has surely had a positive effect on the profitability of banks in Ghana. It has improved the quality of service offered by Ghanaian banks due to its remarkable efficiency.

Electronic banking reduces long queues, saves time and offers easy access to cash and convenience. It is generally much safer and secure compared with conventional ways of banking. It is borderless and permits banking anywhere and anytime.

Electronic banking has not only transformed banking relationships but profitability of the entire banking industry.

However, most Ghanaians are yet fully get conversant with the benefits of adopting electronic banking services. Hence, in this modern age of technology, there is still low patronage of electronic banking products and services as customers still prefer to go by conventional or traditional ways of banking.

Ghanaians do not seem to fully accept electronic banking as a safe banking channel.

Kwawu (2011) showed that Ghanaian customers still prefer to speak one on one with bank personnel and for "a feel of human touch" thus contributing to their inability to fully adopt and become conversant with electronic banking.

**References**


Correlation between Poor Socio-economic Background and Poor Academic Performance among Students at Tertiary Education in Tanzania

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Abstract

The core goal and expectation of student at any given learning environment is to achieve the required level of academic performance. This is also true for both educators and parents/guardians. However, sometime this ambition comes in contrary to their former expectation due to different factors that affects students’ performance. Among the long list of factors for poor academic performance, social economic factor is reported to highly contribute. This factor is reported responsible for majority of students’ failure to pay their school fees in time.

The major source (90%) of income for Private and Faith Based training institutions is from school fees. Often, there has been delay or failure in payment of school fee among students. The payment failure rate among many institutions is <50%; thus resulted to inconveniences on students study patterns. In the recent years, there has been an increased rate (11%) of academic failure among students in their tests, semester and final examinations. Institutional management and academicians have been putting great efforts to uplift level of students’ academic performance. Despite all these efforts, students’ academic performances are still not satisfactory. This article is particularly going to discuss the components of student’s economic backgrounds in relation with academic performance. The article looks on how the element of in time failure payment of school fee affects performance of the students. From this discussion, a contributive suggestion would be delivered accordingly to the respective stakeholders as a contributive solution to the problem under discussion.

Keywords: Poor Socio-economic Background, in time failure payment of fee and Poor Academic Performance.

Introduction

The link between education and economic development has extensively been documented in the economic development literature. The two elements have been viewed in two points; one; education as a product of the economic development process, and two; education as an essential resource in the economic development process (Gyimah-Brempong, 2010 in Muhdin, 2016). In the view of this author, education is a pivotal device in structuring human capabilities and it accelerates economic growth through knowledge, skills and attitude change. Furthermore, Muhdin, (2016) urged that, a successful education is an input to economic growth, poverty and inequality reduction, health improvement, good governance, institutional development, and policy framework.

In poor economy and poor academic performance point of view, these two components have interchangeably been used as a predictor (independent) variable to each other because everyone can lead to a negative effect on another. This means, poor economy may cause student to perform poorly, and in the other hand, poor academic performance in the long run may lead to poor economy of this particular student (Muhdin, 2016).

The core goal and expectation of student at any given learning environment is to achieve the required level of academic performance. This is also true for both educators and parents/guardians belonging to their particular students. However, sometime this ambition comes unrealistic to their former expectation due to different factors that affect students’ performance. Among the long list of other factors for poor academic performance, socio-economic factor is reported to highly contribute. This factor is reported to be responsible with majority of students’ failure to pay their school fees in time. Delay or nonpayment in school fee has been related with an increased number of absenteeism in...
many schools. This has consequently closely appended with result in academic poor performance of the students (Kamau, 2015).

Dielitens and Meny, (2008) urged that, poverty is an important reason for why learners drop-out of academic performance. Inability to pay school fees, the costs of uniform, shoes, transport, stationary, added to the opportunity costs of what children might be contributing to household labour, eat away at meager resources and push children from school are the outcome of poverty within the society. Fleisch and Woolman (2004), arguing that fees do not cause only a drop-out of performance, but is absolutely associated with poor attendance at the schools.

**Purpose of this article**

Among other critical issues to consider in learning and teaching environment is student’s performance as it determines whether learner goes on or off truck towards qualification of what he/she learns. This article particularly is going to discuss the components of students’ economic backgrounds in relation with academic performance. Wherever you go now in the world, there is no free lunch; means no education without payment. The article looks on how element of payment affects performance of the students. From this discussion, a constructive suggestion would be delivered accordingly to the respective stakeholders as a contributive solution to the problem under discussion. However, this article writing for an author is a partial fulfillment of the requirement for the award of the Degree of Doctor of Philosophy in Healthcare Administration.

**Education system in Tanzania**

The educational system in Tanzania is principally formal academic and is organized in hierarchical three orders; primary, secondary and tertiary. The existing structure of the formal education system is 7-4-2-3+, meaning that 7 is years of primary education, 4 years of secondary education at the Ordinary level, 2 years of secondary education at the Advanced level and 3+ means tertiary level, years of college and university education (Tilya, 2003). However, there is other informal level (preschool or kindergarten) that accords with those children below 7 years.

Despite the fact that, the primary education is free and compulsory for all children under 15 years of age, the secondary and tertiary or higher education require payment of tuition fees. The amounts of fees vary from categories of schools, colleges or Universities belonging to government or private. Usually, the government school fees are subsidized while private schools are paid in full costs (Tilya, 2003).

**Financing and affordability of education**

The funding of public schools and other higher learning institutions mostly depends on government financial support with the cost-sharing from parents or guardians. However, Prof. Peter Msolla, the Tanzania former minister of finance in his speech said, “With this government support, it has evidently noted that, because of the poverty among many parents, they could not bear this cost. The situation is even worse in private training institutions which charge full costs. This has caused debate and complaints from the public on grounds that; it is only the children from the well-off families who can have access to university and higher education thereby leaving behind the best brains from poor families”. From this speech, in 2004 the government enacted a law to establish the Higher Education Students Loan Board (HESLB) to manage a students’ loan scheme, primarily to facilitate access to higher education by students whose parents cannot afford to pay for their children in both government and private universities. However, this loan does not include the students who study in middle levels of certificates and diplomas. The remaining questions that this article is going to answer are that:

‘Is there any correlation between students’ poor academic performances and poor socio-economic status of the parents’?

‘Is poor socio-economic status of the parents responsible for students’ poor performance’?

**Socio-economic situation towards academic performance**

The major source of income (90%) for private training institutions to sustain their main activities and being self-sufficient in their potential prospective depends on the school fees that are paid by
students. In many times, there has been a delay or failure to pay the school fees in time among some students. For instance, in one of the health training institute in Rural Mbulo district, the school fee payment failure rate in time was <50%; thus resulted to inconveniences on students study pattern. These inconveniences subjected them in chasing out of the classroom during ongoing sessions, forbidden students to attempt tests/examinations and prohibiting them from accessing some other relevant services. As a consequence of this, there has been much absenteeism of students in classroom sessions and clinical sessions (Ombay, 2018).

However, in this mini survey of Ombay, (2018), there has been an increased rate (18%) of academic failure among students in their tests, semester and final examinations. This survey had evoked curiousness to the author’s mind to further look on literature about correlation between socioeconomic background of parents that leads to failure in paying school fees in time and poor academic performance among students. Figure 1 below shows this finding.

Figure 1. Finding from local survey; failure to pay school fee vs. poor performance

Figure 2. Correlation between poor socioeconomic background and poor academic performance

In the literature, the role of parents’ economic background is an important factor to consider in academic performance. The results from study of Okioga, (2013), discovered that the social economic
background of parents influence student academic performance as it plays a key role in skill sets for gaining jobs in both higher and lower social economic status. However, he says, the middle class parents are lively taking roles in their children’s education and development by using controlled organized activities and encouraging a sense of entitlement through positive discussion. Families with lower income do not actively take part in this movement, making their children to have a sense of losing control. Lower incomes families can have children who do not succeed to the levels of performance and having more argumentative or more poor prepared for adult life (Okigo, 2013).

Poor academic performance according to Ogunjinni and Oyedare (2015) in Aremu and Sokan (2003) has been explained as a performance that is adjudged by the examinee/testee and some other significant that shows as falling below an expected standard. He explains poor academic performance as any performance that falls below a desired standard. Likewise, he further says, poor academic performance of the individual or candidate in a learning situation as one in which a candidate fails to attain a set standard of performance in a given evaluation exercise such as a test, an examination or series of continuous assessments. A candidate who scores below the standard is regarded as showing poor academic performance in school. Some people blame students and others blame the government while, others blame the teachers on this matter, but socio-economic backgrounds of the parents or society should not be forgotten behind. The author of this article stresses that academic failure is not only frustrating the students and the parents, its effect are equally grave to the teachers, society and country at large in terms of dearth of manpower in all spheres of the economy, social welfare and politics. As conclusion to this, success in education is an investment and an instrument that can be used to achieve a more rapid economic, social, political, technological, scientific and cultural development in the country (Ogunjinni and Oyedare 2015, in Aremu and Sokan, 2003, Nyandwi, 2014).

School fees are usually that is charged by education institutions for instruction or other services. Apart from governments and other public institutions, many private institutions in Tanzania contexts are largely depending on the fees paid by the students for its self-sufficient. This in one way may be the reason for little tolerance among institutions for those students who delay or fail to pay in time their fees. This is also true for other institutions in the United State. The office of bursar in University of Connecticut released a “Hold Policy” that says “Students with outstanding balances on their fee bills will have a “Bursar hold” placed on their accounts. This hold prevents students from accessing services such as class registration, moving into residence halls, recreation services, library services, parking services, transcripts and other important services” (Nyandwi, 2014, BODA https://bursars.uconn.edu/failure-to-pay-your-bill-on-time-graduates/).

Educationist noted the way failure to pay school fees on time affects the students in their intended educational goals. He recognized the observable fact of late or non-payment of school fees in recent times to the harsh economic situation in which we found ourselves. He urged that, “It does not necessarily mean that parents do not care about paying their children’s school fees, but truth is that, most parents cannot even feed their children, much less pay their school fees. Some families eat once a day, some two times. Therefore in such situation, government has a role to play” (Madu, 2018).

Absenteism in learning environment is urged to relate with poor academic performance. The students who have not paid their fees in time are subjected to various inconveniences including absenteeism in learning settings. The results from study by Kamau, (2015) show that the highest cases of school absenteeism were due to lack of school fees or failure of the parents to pay fees on time. Many of the parents avoid responsibilities that have high influences on school attendance. Majority of those students have been found to suffer low academic performance in their all test and examinations (Kamau, 2015, Subhrabaran, Monalisa, and Tanwi, 2014).

In the learning environment, there are number of causes leading to poor academic performance. The report from Nairaland Forum (2018), insists that, among other causes of poor performance, poor economic background of parents is a momentous factor, and if this would not be dealt with, those students would persist on swimming in poor performance. Due to this reason, many students by no means can excel in class; they are relaxed taking distance position in their classes. The key cause of this factors is financial constrain. Financial constraint is one of the factors inhibiting students’ performance in their studies. When there is no money to pay fee and other learning needs, they would
not reach the pinnacle of their success and the end result is often falling on low or average performance (Nairaland Forum, 2018).

Students’ failure to pay their fees in time has grounded from the socioeconomic and educational background of the parents. This has reported to have considerable impact to the overall students’ academic performance. The results of the study by Farooq et al., (2011), revealed that socioeconomic status (SES) and parents’ education have a significant effect on students’ overall academic achievement as well as achievement in the subjects of Mathematics and English. The high and average socio-economic level affects the performance more than the lower level.

The study result of Shoukat et al., (2013) differs from Farooq et al., (2011) in the view of effect of socio-economic on academic performance. This study says, the students belonging from higher social economical backgrounds will perform better than other students associated with low social economic backgrounds. However, the author agrees with Farooq that, “Social and economical status of student is generally determined by combining parents’ qualification, occupation and income standard.

The social and economic development of the family is straightforwardly linked with student academic performance. Mushtaq & Khan, (2012) in their study revealed that, the students’ academic performance depends on a number of socio-economic factors such as students’ attendance in the class, family income, mother’s and father’s education, teacher-student ratio, presence of trained teacher in school, sex of the student, and distance of schools

Conclusion and recommendation

There is never single factor to consider in determining the students’ academic performance. This article discussed only socioeconomic factor of the parents in relation to students’ academic performance. Through many literatures reviewed, socioeconomic factor appeared to stand behind the academic performance. Poor socioeconomic background of the parents has directly found to associate with poor academic performance of the students as they delay or fail to pay their fees in time. Furthermore, through this review, poor socioeconomic background of the parents is responsible with poor academic performance of students in many training institutions. However, the degree to which it is responsible among other factors is subjectively reviewed and objectively unclear.

The author of this article advices parents to keep on strength and take active charge on supporting their children in financing education in time because such support is viewed as the main contributor towards the student academic performance. Good performance is realized when parents work in consultation with the teachers in order to understand their children performance. They should discuss together the matters on how better to pay school costs. The educational stakeholders are advised to take role in how to subsidize the school costs for those students with socioeconomically deprived in line with offering financial scholarship and loans for education for those students studying at middle levels (certificate and diploma).

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The Effect of Microcredit on the Development of SMEs in Ghana: A Case Study of Ho District in the Volta Region

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Abstract

Microfinance emerged as a noble substitute for informal credit and an effective and powerful instrument for poverty reduction among people, the objective of this study is to estimate the effects of micro credit on the development of SMEs in Ghana. A total of 171 respondents were selected by using random sampling technique were administered to MFI and SMEs at Ho in the Volta Region, for them to indicate their views on micro credit in the area and how to improve it. A structured schedule of questions was prepared for this purpose. The research instruments used in the study were questionnaires and interviews. Simple statistical techniques such as descriptive statistics including tables were used in analyzing and summarizing the data. It was noted that access to financial institutions products and services is a crucial element for the development of SMEs. Thus their sustainable growth will largely depend on the capacity of financial institutions to mobilize resources from low valued to high valued and invest in SMEs activities. However, inadequate collateral, difficulty of processes, fear of inability to repay, and high borrowing cost were frequently mentioned reasons by SMEs for inaccessibility of banks products and services. Finally, The National Board for Small Scale Industries (NBSSI) and other SMEs funding and promotion agencies should incorporate SMEs coping strategies into their policies, programs and orientate them to replicate these strategies for others to enable SMEs have flow of resources (inputs) for production.

Keywords: Informal Credit, Economic Development, Income Generation, Industrialization, Economic Growth, Micro-Credit, Global Financial Systems, Alleviate Poverty.

Introduction

Background to the study

In Ghana, the private sector is considered as the engine of growth of the economy and mostly is the SMEs. Given the great potential of small and medium sized enterprises to bring about social and economic development, it is of no surprise that the performance of SMEs is of huge concern to the governments of different countries in the world. Small and medium sized enterprises in both developing and developed countries play important roles in the process of industrialization and economic growth, by significantly contributing to employment generation, income generation and catalyzing development in urban and rural areas (Hallberg, 2000; Olutunla, 2001; OECD, 2004; Williams, 2006).

The SME sector in Ghana is estimated to be made up of about 70% of all industrial establishments and contribute about 22% to GDP and account for about 92% of businesses in Ghana and absorb more than 60% of employed labour force with majority in rural areas (GLSS-3, 2002), placing SMEs squarely at the core of the overall economic policy. It is also estimated that 85% of manufacturing employment and to a larger extent overall employment growth in the country comes from the Sector (National Industrial Survey, 2003). This makes the SMEs the most important sector in the Ghanaian economy.

A very large segment of the rural and business community still has little or no access to financial services. The government has instituted a number of interventions to improve access to SME credit, such as Ghana Investment Fund (GIF), the Export Development and Investment Fund (EDIF), Micro Finance and Small Loans Centre, the Venture Capital Trust Fund (VCTF) and the National Board for Small Scale Industries (NBSSI) Credit schemes. These policies aimed at making credit facilities easily accessible to SMEs. Various interventions by development partners, such as the Japanese Non-Project Grants (1987-2000) and Italian Fund (2001-2003) and NGOs have also been instituted to augment the provision of credit at reasonable terms to SMEs. Also, Support Programme for Enterprise
Empowerment & Development (SPEED) Facility Funding (FF) (2002-2006) was also introduced by GTZ and DANIDA to support SMEs. But have these interventions been adequate enough for SMEs in terms of solving their financial needs? Has the SMEs been able to access these credit facilities to finance their activities? And has this been beneficial to their activities? This called for an in-depth study into how access to these credit facilities can be a powerful tool to the SMEs and their operational activities.

SMEs in Ghana are considered as high risk businesses because they lack the necessary collateral to serve as security for loans and it is costly because applicants from the informal sector tend to apply for small loans which require the same administrative procedure and oversight that are required for the relatively larger loan requests made by medium or large scale firms. Hence, the co-operate culture of banks and financial institutions are far removed from the informal world of the micro-entrepreneur. Microfinance institutions are therefore expected to fill this gap and provide financial and other business support to micro and small-scale businesses. The study therefore, examines the effect of Micro Credit facilities on SMEs development in Ghana. The study is organized into five sections. Following this introduction is section two which reviews related relevant literatures. Section three also deals with data and methodology, while section four dwells on empirical results and analysis. Section five provides the conclusion of the study and recommendations.

Literature review

Concepts of SMES and micro credit

According to the International Finance Corporation, an SME is any enterprise which falls into these categories: micro-enterprise-up to 10 employees, total assets of up to $100,000 and total annual sales of up to $100,000; small enterprise-up to 50 employees, total assets of up to $3 million and total sales of up to $3 million; medium enterprise-up to 300 employees, total assets of up to $15 million, and total annual sales of up to $15 million. While these definitions are admittedly subjective and still under review, they are broadly consistent with those used by most other international financial institutions. Still, it should be noted that the numbers shown above depend heavily on choice of this (or any other) definition.

Theoretical framework of SMEs

The heterogeneous nature of the SME sector complicates the problem defining it. The concept is defined in different ways, depending on the purpose of classifying firms as micro, small, medium-sized or large. As defined by Schumpeter (1911), entrepreneurship is characterized by five major activities which involve either (a) the creation of a new good or a new quality; (b) the creation of a new method of production; (c) the opening of a new market; (d) the capture of a new source of supply; and/or (e) the creation of a new organization or industry (Iversen et al, 2005). From above, entrepreneurs then can be seen as individuals who lead in new innovations and in this process take upon the risk by themselves with a view to profiting from their innovations.

In Ghana, all enterprises related to SMEs adopted the SME criteria of their own. The National Statistical Service (NSS) which published the industrial statistics, defined small scale industries as those employing 29 employees or fewer, the rest are all considered as medium and large-scale enterprises. According to the Venture Capital Fund Act 2004 (Act 680) in Ghana, an SME is an industry, project, undertaking or economic activity which employs not more than 100 people and whose total asset base, excluding land and building, does not exceed the cedi equivalent of $1 million in value. Also, according to the records of the Registrar General’s Department in Ghana, about ninety percent (90%) of registered companies are SMEs. Data from the Social Security National Insurance Trust (SSNIT) supported this assertion as it shows that 90 percent of companies employ less than 20 persons.

The National Board for Small Scale Industries (NBSSI) describes Micro and Small Enterprises as those enterprises employing 29 or fewer workers. Micro enterprises are those that employ between 1-5 people with fixed assets not exceeding USD 10,000 excluding land and building. Small enterprises employ between 6 and 29 or have fixed assets not exceeding USD 100,000 excluding land and building. The National Board for Small Scale industries (NBSSI) further classified SMEs as follows: Micro enterprise: less than 5 employees; Small enterprise: 6 - 29 employees; Medium enterprise: 30 - 99 employees; and Large enterprise: 100 and more employees.
According to the World Bank, classification of SMEs varies from country to country and common among categories for classification, are based on number of employees, value of assets and investment levels. The World Bank uses the number of employees as its main classification criterion but with regional variations. In Africa, World Bank uses 200 as the cut off number for SMEs employees. The SME sector employs and provides income to a significant fraction of the Ghanaian population. It is however bedeviled with many challenges. According to Mensah, (2004) cited in “A Review of SME Financing Schemes in Ghana” SMEs are usually characterized by the following: Dominated by one person, with the owner or the manager taking all major decisions this is because most of the SME are sole ownership; The management skills of the entrepreneur is generally weak making it difficult for such enterprises to prepare strategic plans for enterprise development; Highly volatile working capital and difficulty in accessing finance; Lack of technical know-how, use of obsolete technology and reliance on manual labour; and The use of family and unpaid labour (through the use of apprentices).

The impact of micro-credit and SMEs development

According to the Microcredit Summit Campaign Report (2004), there were 3,044 Micro Finance Institutions (MFIs) in developing countries making microloans to over 92 million clients. Of these, 66.5 million were classified as among the “poorest” people and 55.6 million of the poorest were women. In terms of people served, the Micro credit phenomenon access in general, is dominated by the Asian experience, as that region accounted for 88 per cent of all reported loan clients in developing countries and 92% of the poorest female loan clients. In 2004 the Summit reported that there were 994 in Africa, 388 in Latin America and the Caribbean and 34 in the Middle East (Daley-Harris, 2005.).

In Ghana under the GPRS I & II, Government prioritized the provision of microfinance, small loans and related services as an important strategy for pursuing its poverty reduction strategy for job and wealth creation to ensure the achievement of the Millennium Development Goals (MDGs) and also becoming a middle income country by the year 2015. According to Latifee (2003) micro-credit is itself a very powerful tool. But if it is combined with others, it is definitely more empowering. Micro-credit serves as a source of finance to SMEs, enables them transform their ideas into production. Micro-Credit helps SMEs in terms of finance for their set up and expanding their operations, developing new products, and investing in new staff or production facilities. The credit facilities were used for a variety of non-farming activities such as: craft, artisan and service enterprises as well as enterprises engaged in small scale farming (production) and adding value to agricultural produce (processing) in the economy.

According to Asiama & Osei (2007), of the Research Department of Bank of Ghana, trends in credit/loans and advances extended to SMEs amounted to GH¢50.97 million in 2002 as against GH¢39.64 million in 2001, to individuals and groups by the Non-Bank Financial Institutions (NBFI) indicating about 28.6 per cent growth. The amount of loans extended by NBFI’s further increased from GH¢70.63 million in 2003 to GH¢72.85 million in 2004, suggesting 3.1% growth. In 2006 alone, a total of GH¢160.47 million was extended to clients, which represents 48.8% higher. The upward- trending NBFI’s credit to individuals, SMEs, groups and others indicates marked improvements in level of microfinance in the country. Most banks in Ghana have also established SME banking departments, including Barclays Bank, Standard Chartered Bank, Ecobank and Ghana Commercial Bank as well as some rural banks. Standard Chartered Bank Ghana offers a number of SME-specific products and services, including a “Business Installment Loan” which is available to applicants with little or no collateral to secure the loan (http://www.standardchartered.com/gh/). This product also has a maximum tenure of three years and allows SMEs to structure their debt repayments according to their cash flows.

The Ecobank Ghana also has a $10 million credit guarantee agreement with USAID as a pool of SME loans (http://www.ecobank.com/english/others/home.aspx). The programme, which offers a 50% principal guarantee, has allowed the bank to extend more loans to SMEs seeking financing. To help build the capacity of local SMEs, Ecobank Ghana has developed strategic partnerships with USAID, the African Project Development Facility, and EMPRETEC, a United Nations initiative to promote the creation of SMEs. Together, they have produced a training programme for SME managers to improve their skills in several areas including financial planning, recording keeping, reporting, and general management. Ghana Commercial Bank also provides similar training. Through its business advisory services, SMEs receive training in strategic planning, business practices, and proposal writing. Some
SMEs also benefit from the African Development Bank’s (AfDB) Partial Credit Guarantee Facility of $24 million for export-oriented businesses. This assistance supports Ghana’s export development strategy and expands access to credit and technical assistance to SMEs. It also addresses serious constraints faced by export-oriented SMEs owned by women.

**Research methodology**

**Research design**

The study combined cross-sectional and/or survey design and case study methods of data collection. Cross-section or survey design aims at describing relationships between two or more variables of the study population, before any attempt is made at drawing statistical inferences to broader populations and generalization of findings to real life situations. The case study methods, on the other hand, enabled the research to make empirical enquiries that allowed the researcher to investigated and understand the dynamics of the system. According to Becker (1991), the research design of case study is similar to those of mainstream social science research; and outlined the main points to include sampling, planning data collection, planning data analysis and giving interpretation in the report. The research is focused on a contemporary phenomenon, that is, Micro credit and its impact on SMEs development in Ghana.

The study focused on a target sample of SMEs that are direct beneficiaries of the micro-credit facilities instituted by government, Micro credit institutions/agencies and NGOs. Simple random sampling method was used, to select SMEs from among many in the clusters, to which questionnaires were administered. Numbers were assigned to SMEs in each cluster from which the required numbers were selected for the study and SMEs were picked without replacement using random numbers. This was to ensure that as much as possible biasness is removed or is minimized and a fair representation is obtained. Purposive sampling and quota sampling techniques were then used to select Staff of micro credit institution to which the questionnaires were administered.

Ho district does not have a systematic record of all Small and Medium-sized enterprise (SMEs) units in its records. This is because registration of units is optional and many units are operating without registration. As a result, no information could be obtained about the total number of such units and their locations in the metropolis. The study therefore, was confined only to registered units that benefited from technical, extension services, infrastructure and financial support or supported to access financial services from financial institutions in the district. The records showed that there were 300 SMEs industrial units in the district that registered and benefited from business development services (credit facilities) with the above institutions and training centers as at the end of December, 2017.

**Sample size determination**

To determine the sample size, the mathematical approach or method was used. Also, since the most critical item in sample size determination is the sample frame and the study sample frame is known to be 300, the mathematical approach by Taro Yamane (1970) which is non-proportional was established in the following simplified formula Where $n = \frac{N}{1 + N(\infty)^2}$

$n = \text{sample size}$

$N = \text{sample frame}$

$e = \text{confidence interval}$

With a 95 percent statistical significance level of five percent and the known sample frame size of 300 SMEs units, formula gave a sample size of 171.42 which was approximated to 170 SMEs.

\[ n = \frac{300}{1 + 300(0.05)^2} \]

\[ n = 170 \]

Among the Units 171 were selected by using random sampling technique. A structured schedule of questions was prepared for this purpose.
Discussion and results

The results of survey coupled with data obtained from documents held by SMEs and in depth interviews with banks and MFIs managers /officials were jointly used in analyzing the effects of micro credit on the development of SMEs in Ghana. In general, the results and analysis reflect the following major findings.

It was noted that access to financial institutions products and services is a crucial element for the development of SMEs. Thus their sustainable growth will largely depend on the capacity of financial institutions to mobilize resources from low valued to high valued and invest in SMEs activities. Financial institution has shown an encouraging growth in its growth and outreach. The number of borrowers, average loan size has increased in a remarkable way. However, SMEs has a serious hindrance in gaining access to products and services from financial institutions, particularly from banks. Inadequate collateral, difficulty of processes, fear of inability to repay, and high borrowing cost were frequently mentioned reasons by SMEs for inaccessibility of banks products and services.

In addition, MFIs also support the development of SMEs through training in book keeping and manpower development, business control and monitoring, and by providing available business as well as others relevant information. Further, financial institutions addressed some of the problems that SMEs face in the process of accessing and settling of loans. Sometimes banks flexing loan terms and conditions/requirements to enhance SMEs access to banks financial resources and postponed loan maturity period to overcome SMEs financial distress. Similarly, MFIs used alternative collateral and credit facilities to address financing constraints and postpone loan maturity period and refinancing future potential projects to overcome loan settlement problems.

There are a number of challenges facing the SMEs. The study revealed that, micro finance institutions are charging high interest rates and this makes the repayment of the loans very difficult for SMEs.

Micro credit is a powerful tool in SMEs development as it fills a niche by allowing people access to small capital that would not have been accessible and provide training ground for SMEs, some of whom may expand their businesses to a point where they can utilize commercial sources for working capital.

The study concludes that sole proprietorship dominates the ownership pattern of the SMEs sector. In the Ho district, the SMEs sector of the economy is dominated by females with very low educational level and who mobilized their capital through personal savings as the major source of capital for their businesses.

Hypothesis testing

There is a relationship between Micro credit and the level of productivity in Ghana

$H_0$: Micro credits have a negative effect on the Development of SMEs in Ghana.

$H_1$: Micro credits have a positive effect on the Development of SMEs in Ghana.

F Test

An F-test is any statistical test in which the test statistic has an F-distribution under the null hypothesis. The approach computes a test statistic from empirical data and then compares it with a critical value. If the test statistic is larger than the critical value or if the test statistic falls into the rejection region, the null hypothesis is rejected. The strength of evidence in support of a null hypothesis is measured by the P-value. If the P-value is less than the significance level, we reject the null hypothesis. The P-value is the probability of observing a sample statistic as extreme as the test statistic, assuming the null hypothesis is true. In the p-value approach, researcher computes the p-value on the basis of a test statistic and then compares it with the significance level (test size). If the p-value is smaller than the significance level, the null hypothesis rejected. A p-value is considered as amount of risk that researchers have to take when rejecting the null hypothesis. Finally, the confidence interval approach constructs the confidence interval and examines if a hypothesized value falls into the interval. The null hypothesis is rejected if the hypothesized value does not exist within the confidence interval.

Based on the Analysis of Variance (ANOVA) table for the linear regression, the F test for Significance of $R$ in Regression analysis was applied to the empirical data processed and analyzed. The ANOVA approach is based on the partitioning of sum of squares and degrees of a freedom associated with the response variable which is micro credit. The Table 1 is the ANOVA from the SPSS
output.

Table 1. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>15.780</td>
<td>4</td>
<td>3.945</td>
<td>14.017</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>68.956</td>
<td>245</td>
<td>.281</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>84.736</td>
<td>249</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Transport and other cost before sales (Marketing), Cost of labour per month, Cost of tools/Technology, Cost of Raw Materials used per Month.

b. Dependent Variable: Maximum Amount of Credit Received.

Testing the hypothesis at 5% significance level

The computed F-value from the statistics (table 1) is 14.017. The p-value computed (from Table 1) is 0.001. The hypothesis was tested at 5% significance level (i.e, α = 0.05). The critical value obtained from the F distribution with α=0.05, df₁ = 14.017, and df₂ = 13.017 (degree of freedom= df₁&2) is 1.00. From the analysis, the p-value is reported as .001, far less than the critical value of 1.00 and so there is strong evidence to reject the null hypothesis and conclude that the estimated relationship is a significant one.

From the study, the Null Hypothesis (Ho) at the 5% level is therefore, rejected in favour of the Alternative Hypothesis (H₁) and conclude that there is a significance relationship between micro credit and, Small and Medium-sized enterprises (SMEs) development in Ghana.

The study concludes that SMEs with access to more credit facilities are able help to develop strategies and expand their SMEs in Ho district. This study is confirmed by the outcomes of Littlefield, Murdurch and Hashemi (2003), Simanowitz and Brody (2004) and the IMF (2005) have commented on the critical role of micro-credit in achieving the Millennium Development Goals. According to Simanowitz and Brody (2004), micro-credit is a key strategy in reaching the MDGs and in building global financial systems that meet the needs of the poorest people." Littlefield, Murdurch and Hashemi (2003) state, "...micro-credit is a critical contextual factor with strong impact on the achievements of the MDGs. Micro-credit is unique among development interventions: it can deliver social benefits on an ongoing, permanent basis and on a large scale".

Conclusion and recommendation

The advocate of micro financing was triggered by the insensitivity of the conventional formal finance sector. The essence was to reach the overwhelming population of the poor and to assist in the drive to alleviate poverty. The microfinance movement has captured the imagination of academics, policymakers, and practitioners. It has demonstrated possibilities for lending to poor households and has transformed discussions on poverty alleviation to realism. The last twenty years have seen significant advances in the provision of financial services to improve economic development and eradication of poverty. This includes providing the financial means to access credit, and start small businesses, with the potential to enhance community, local and national development. It has been proven that when microfinance is properly harnessed and supported, it can scale-up beyond the micro-level as a sustainable part of the process of economic empowerment by which the poor can lift themselves out of poverty. Microfinance should not be seen as a universal remedy for poverty and related development challenges, but rather as an important tool in the mission of poverty alleviation. Poverty is a multidimensional problem, embedded in a complex and interconnected political, economic, cultural, and ecological system. Owing to poverty's large scope and multiplicity of actors, there is no single guaranteed approach to its eradication. As a result, solutions are as multifaceted as the causes. Problems and solutions are not isolated phenomena, but occur within an interconnected system in which actors and actions have reciprocal consequences. As microfinance becomes more widely accepted and moves into the mainstream, the supply of financial services to the poor will likewise increase, improving efficiency and outreach, while lowering costs. This, in turn, can have a multiplier effect on people's standard of living. Perhaps the greatest contribution of microfinance is that it empowers people, by
providing them with confidence, self-esteem, and the financial means to play a larger role in their development. The potential of microfinance far exceeds the micro-level, scaling-up to address macro-problems associated with poverty eradication.

**Recommendations**

Against the background discussed in the foregoing section, the following recommendations are made:

- The NBSSI and other SMEs funding and promotion agencies should incorporate SMEs coping strategies into their policies, programmes and orientate them to replicate these strategies for others to enable SMEs have flow of resources (inputs) for production.
- The government through the District Assemblies and development partners should encourage cluster development among SMEs. This could lead to efficient development of infrastructural facilities and establishment of subsidiary industries to benefit from other auxiliary services. It could also present an active channel of communication among the members of the cluster and reveal the identity of SMEs which render their activities visible and act as a potential for the formation of cooperatives and partnerships to access other opportunities to expand their businesses.
- Financial institutions that deal directly with SMEs in credit support in collaboration with NBSSI should set-up “Care Centres” at selected locations where they can address the financial grievances and queries of SMEs. Through these Care Centres, financial institutions could provide information to SMEs on requirements for loan, attend to and provide easier, quicker and convenient means of timeframe for dealing with SMEs’ loan applications and disbursement, interest rate applicable and other vital information so that SMEs can make meaningful comparisons with other financial institutions, before taking any decision regarding loans and other services which they may need. This would breach the information gap between financial institutions and SMEs in their financing.
- The Community-Based Rural Development Project (CBRDP), which was initiated by the Government of Ghana as part of its poverty reduction strategy in 2004 to build and strengthen capacities of rural communities, and enhance their quality of life should be sustained.

**References**

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Stock Prices Reaction to Dividend Announcements in Ghana: An Empirical Investigations of Banks Listed on the Ghana Stock Exchange

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Abstract

The paper investigates how stock price react to dividends announcement the Ghana Stock Exchange (GSE) from 2015 - 2017. It focused on examining the reaction of share prices to dividend announcement using a sample of six banks (financial institution enlisted on the GSE from 2015 – June 2017. The methodology and the market model are used in estimating the abnormal and the cumulative abnormal return for -10 days before and +10 days after the announcement date.

The overall findings of the study showed that share prices react to dividend announcement though not instantly. It is observed that the average abnormal returns and the cumulative average abnormal returns for all the days before, on and after the day of dividend announcement are statistically significant and positive. It is expected that this study would help most investors to know the level of efficiency on the Ghana Stock Exchange. It suggests that in addition to the recent electronic trading development on the GSE, there is the need to further improve the quality, quantity and reliability of information on listed firms disclosed to the public.

Keywords: Dividend, Dividend Announcement, Efficient Market Hypothesis, Market Efficiency, Stock Prices, Stock Returns.

Introduction

Generally, stock markets are neither completely inefficient nor perfectly efficient. The intensity of informational efficiency varies across markets, times and countries. An efficient market is achieved when investors have access to readily available information and use this information to predict stock prices. In contrast to the efficient market hypothesis, there is evidence that unexpected negative or positive earnings lead to an immediate negative or positive stock price response and a negative or positive stock price drift. However, this only lasts for a few months after the earnings have been announced (Chordia et al. 2007).

According to Fama (1970), a market is efficient if the prices of assets fully reflect the available information. “Fully reflecting” means that knowledge on the information prevents anyone from profiting from it, because prices already incorporate the information. Furthermore, immediately the information becomes available, it is instantaneously and correctly impounded in the prices (White, Sondhi, & Fried, 2012). Information therefore plays a vital role in stock markets both at the individual and institutional investor levels, it is essential in the selection of portfolios of equity securities, bonds and other investments, it establishes equilibrium pricing in the capital market and has a great impact on share pricing (Osei, 2003).

According to Afego (2011) and Osei (2002), both Ghana and Nigeria’s stock markets are inefficient in adjusting to new information on earnings announcements. (Cheol, 2012) posited that financial statements on earnings provide just a modest amount of information on the market. In Ghana, there is limited information as at 2008 on stock price reaction on firms’ specific information. In this regard, this study intends to determine how stock prices react to disclosure of firm specific information in Ghana.

The introduction of the electronic trading system in 2008 is believed to have improved the efficiency on the stock market as well as to improve the liquidity and positioned the Ghana Stock Exchange to compete favourably on the international market and thereby attract more investors. In addition, its introduction experience improved stock market transparency, provided speedy and efficient matching of orders and enhance the variety and quality of market data and information provided by investors (GSE, 2010).
Consequently, it can be inferred that the inefficiencies associated with the trading on the GSE are minimized and problems associated with the manual trading such as unapproved dealings among investors and brokerage firms are eliminated. With this new technology in place coupled with other improvements on the GSE, it is expected that there is quick flow and dissemination of information to investors and other stakeholders.

Given this background, the objective of this study is to determine how stock prices react to disclosure of specific information on firms in Ghana. The study is organized into five sections. Following this introduction is section two which reviews relevant literatures. Section three also deals with the methodology, while section four dwells on empirical results and analysis. Section five provides the conclusion of the study.

Literature review

There are very few studies which have been conducted to determine how stock prices react to disclosure of specific information of firms in Ghana. Some of the relevant related studies with regard to the subject matter were reviewed below.

Definition of concepts

Dividend is the most familiar and easily understood corporate action (Grooves, 2008). It is also the most common type of corporate action. A dividend is a distribution of cash to shareholders in proportion to their equity holding. No company is compelled to declare a dividend and those that do may vary the amount. Typically, a company will pay an interim dividend and a final dividend. An interim dividend is a dividend payment that is announced during the release of a company’s half year announcement of the profits while a final dividend is announced during the full year announcement of the profits. The importance of dividends naturally varies from one company to another and there are also cultural differences in attitudes to dividends from one country to another.

Stock returns

According to the Efficient Market Hypothesis (Fama, 1970) an operationally efficient stock market is expected to be efficient externally and in terms of information. Price changes are only expected to result from the arrival of new information. Given that there is no reason to expect new information price changes are expected to be random and independent.

In a semi-strong, efficient market where most of the information is incorporated into prices, stock value performance is, as it is widely accepted the best measure of estimating whether firms are creating value for shareholders or not (Brealey and Myers, 1991). It may be expected that efficient firms perform better than inefficient firms and this fact will be reflected in market prices. The event studies examine the stock returns to determine the impact of a particular event on stock prices. Most event studies have shown that stock prices change before announcement of a particular event. The strong form states that share prices reflect all public and private information.

Efficient market hypothesis

In explaining The Efficient Market Hypothesis, Fama (1970, 1991) opined that a security’s market price reflects all available value-relevant information and hence is the true price of the security. Hence rational investors can easily foretell the riskiness, expected future cash flows of the security and the appropriate discount rate to apply to the securities expected cash flow. According to Fama (1970), there are three different degrees of efficiency in the market. They include:

- The weak-form efficiency: Here, the security’s price reflects its historical prices. What this means is that past prices cannot be analyzed to predict future prices.
- The semi strong-form efficiency: Here, the security’s price reflects all information available to the public, hence it is impossible to earn any excess returns by trading on this information. However, profits can be made through information that is not publicly available.
- The strong-form efficiency: In this form, the security’s price reflects all available information, and hence abnormal returns equal zero.
Fama (1977) argues that these different degrees of market efficiency exist because several factors can modify the market’s efficiency. These include the efficiency of technology available to analysts to gather and process information, the characteristics of the security and the issuer, as well as the characteristics of the market in which the security trades (Ogden et al., 2003).

The abnormal returns in a perfectly efficient market equal zero, except in cases where investors get access to new information. In case of a delay in change of stock prices, as in the case of an imperfect market, adjustments must be done, and this can benefit investors. However, the EMH does not always hold. Many articles have shown the existence of abnormal returns, as experienced in The Enron case financial crises. An ideal capital market is defined by five assumptions:

- Zero transaction costs: There are no transaction costs in the form of taxes and other costs incurred by firms.
- Homogeneous expectations: There is readily available value-relevant information at no cost. All participants are rational.
- Infinite buyers and sellers: The market price of a security cannot be influenced by a single buyer or seller.
- Transparency: There is perfect information available to everyone.
- Firm’s financing is fixed: The firm’s capital structure, once chosen, becomes fixed (Ogden et al., 2003, pp. 30-31).

It is almost impossible to achieve a perfectly competitive market, although some of its principles are advantageous and hence cannot be totally ignored. It provides an efficient production (no wastes) and ensures that prices are at their lowest rate, below which may not be viable to firms.

Market abuse refers to actions by investors that unfairly take advantage of other investors. The stock market should be perceived and seen as fair in order to encourage more investments (Barnes, 2009). It is morally wrong to have a winner and a loser (Barnes, 2009). With insider information, an investor can make profit when he buys or sells before the information becomes public, depending on the nature of the information. It is morally wrong for two rational investors to act differently due to lack of information.

**Event study model**

Finance theorists posit that stock prices are a reflection of all available information about firms’ prospects. With this knowledge, the effect of an event on a firm’s prospects can be known by placing a figure on the impact of the event on the price of the stock. The need to conduct such an analysis brought to birth the ‘event study methodology’. In concept, event study analyses differentiates between the returns that would have been expected if the analyzed event would not take place (normal returns) and the returns that were caused by the respective event (abnormal returns). The different analytic techniques for estimating abnormal returns differ with respect to the model used for predicting the normal returns around the event date.

The ‘market model’ is one of the most common models used. It builds on the actual returns of a reference market and the correlation of the firm’s stock with the reference market. Equation (1) describes the model formally. The abnormal return on a distinct day within the event window represents the difference between the actual stock return (Ri, t) on that day and the normal return, which is predicted based on two inputs; the typical relationship between the firm’s stock and its reference index (expressed by the α and β parameters), and the actual reference market’s return (Rm, t).

\[
AR_i, t = R_i, t - (\alpha + \beta R_m, t) \hspace{1cm} (1)
\]

Such an analysis performed for multiple events of the same event type (i.e., a sample study) may yield typical stock market response patterns, which have been at the center of prior academic research. Typical abnormal returns associated with a distinct point of time before or after the event day are defined as follows.

\[
AAR = \sum_{j=1}^{N} AR_i, t \hspace{1cm} (2)
\]

To measure the total impact of an event over a particular period of time (termed the ‘event window’), one can add up individual abnormal returns to create a ‘cumulative abnormal return’. Equation (2) formally shows this practice. The most common event window found in research is a three-day event window starting at \(t_1 = -1\) and ending at \(t_2 = 1\).
\[ CAR(t_1, t_2) = \sum_{t=t_1}^{t_2} R_i, \ t \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ (3) \]

In a 'sample event study' that holds multiple observations of individual event types (e.g., acquisitions), one can further calculate 'cumulative average abnormal returns (CAARs)', which represent the mean values of identical events. Equation 3 shows the formal equation for CAARs (Schimmer, 2012).

**Reaction of stock prices of listed banks to the declaration of dividend**

Many researchers have tried to study the reaction of stock prices to the declaration of dividends. However, the results are generally inconclusive, although the subject matter has become very relevant to financial economists and accountants (Abbas, 2015). Earlier works by Graham and Dodd (1951) suggest that dividends are relevant and of great interest to investors. In contrast, Miller and Modigliani (1961) asserted that in a world of no transaction costs and taxes, investors do not pay any attention to dividends. Nevertheless, there is enough empirical evidence to give credence to the importance of dividend announcement to investors, and hence to stock prices. Hence Laabs’ (2013) assertion that dividend announcements are actions taken by firms to attract new investors, whether they are surprise announcements or an increase in an already existing dividend. It is however worth noting that the impact of the announcement on the prices of stocks is highly dependent on the content of the announcement, in that an increase in dividends leads to an increase in the prices of stocks and vice versa.

To begin with, Gordon (1962) demonstrated the reaction of stock prices to the announcement of dividends. He suggested that on the announcement day, an increase in dividends leads to a positive excess return. Also, according to Bhattacharaya (1979), any action taken on dividends, being it an increase or decrease, sends price-sensitive signals to investors and shareholders. This is in consonance with Charest’s (1978) finding that companies experience positive returns, months after an announcement of a dividend increase and negative returns after an announcement of a dividend decrease. Similarly, Aharony and Swary (1980) conducted an investigation on 149 industrial firms that have been listed on the New York Exchange for 10 years and revealed that stock prices respond in the same direction as dividends.

Black (1976) and Easterbrook (1986) concluded that positive changes in the prices of stocks are as a result of an increase in dividends. Subsequently, in a more interesting finding, Lonie et al. (1996) studied about 620 companies in the UK from January to June, 1991 and discovered that even in cases where there is no change in dividends, companies experienced an increase in returns on the day before the announcement of dividends. A parallel study by Asquith and Mullins (1983) on the market response to dividend announcements of about 168 firms on the US stock market revealed that the average abnormal returns increased by about 4% prior to the announcement of dividends.

In a more recent study, Kaestner and Liu (1998) presented an empirical analysis that is more comprehensive and more detailed on the effect of dividend announcement on stock prices. After simultaneously testing several theories on dividend information, they concluded that the most consistent determinant of the prices of stocks was the release of information on dividends. A similar recent study by Dasilas and Leventis (2011) on the Athens Stock Exchange from the year 2000 to 2004 showed a significant market reaction to dividend announcements. This is support of the information content of dividend hypothesis.

On the other hand, not all empirical evidence supports the information content hypothesis of dividends. Findings by Miller and Modigliani (1961) reveal that in some cases, investors do not always pay attention to announcements on dividends. On the Dhaka Stock Market, Uddin and Chowdhury (2005) conducted an investigation on the impact of dividends on stock prices and discovered no statistically significant abnormal returns. They concluded that information on dividends do not necessarily affect the price of stocks in the Dhaka Stock Market. Similarly, a study by Gunasekarage and Power (2006) showed that dividend announcements may in the short term influence the prices of stocks but this does not hold in the long run since firms with reductions in dividends earned excess returns in the long run. Also, in Nigeria, Adelegan’s (2003) study on the impact of dividend announcements on stock prices and capital markets produced no significant results. Hence his assertion that the Nigerian stock market is inefficient in its strong form. This study will seek to find out whether or not dividend announcement has an effect on the stock returns.
Data and research methodology

This section focuses on the data and analytical procedure adopted in this study. The data for this study were obtained from secondary sources. This study uses data from the past three (3) years released by the Ghana Stock Exchange (GSE), specifically the event study methodology. Event study methodology according to Campbell, Lo and MacKinlay (1997) is a study that is used to study significant events that might cause stocks to experience abnormal returns. This methodology was useful because it studied the effects of dividend announcement while making use of the normal and abnormal returns. The event window used was ten (10) days before and ten (10) days after the date of announcement.

Explanation and measurement of variables

Following Fama (1976), the market model was used. The market model is commonly used in event studies because of its ability to differentiate between two kinds of events affecting share return. The market movement which affect the share price (captured by βs) and the particular event (information content) to share that is reflected in the abnormal return.

Daily share return

Daily share return of each company is calculated according to the following equation.

\[ R_{it} = \ln \left( \frac{P_{it}}{P_{it-1}} \right) \]  
\( t = -5, -3, -1, \ldots +1, +3, +5 \)  
Where,  
\( R_{it} \) return on share i on day t  
\( P_{it} \) price of share i on day t  
\( P_{it-1} \) price of share i on day t-1

Daily market return

Daily market return is calculated according to the following equation.

\[ R_{mt} = \ln \left( \frac{M_{mt}}{M_{mt-1}} \right) \]  
\( t = -5, -3, -1, \ldots, +1, +3, +5 \)  
Where  
\( R_{mt} \) return of the market on day t  
\( M_{mt} \) stock market index at the end of day t  
\( M_{mt-1} \) stock market index at the end of day t-1

Daily expected return

Daily expected return is estimated using the Market Model for each share as follows.

\[ E(\text{Rit}) = \alpha_i + \beta_i \text{Rmt} \]  
Where, \( E(\text{Rit}) \) = expected return on share i on day t  
\( \text{Rmt} \) = return on the market on day t  
\( \alpha \) and \( \beta \) are parameters of the market model

Abnormal Return (AR)

In order to test the market reaction to the announcement of an event, abnormal return was calculated at the time of the announcement, before and after. It was calculated as the difference between the actual return on share i on day t and the expected return on share i on day t according to the following equation:

\[ \text{ARit} = \text{Rit} - E(\text{Rit}) \]  
Where  
\( \text{ARit} \) = abnormal return on share i on day t  
\( \text{Rit} \) = actual return on share i on day t  
\( E(\text{Rit}) \) = expected return on share i on day t

Cumulative Abnormal return (CAR)

Cumulative Abnormal Return is the sum of daily abnormal returns over the event window.
Market efficiency
To ascertain whether the stock market reacts to the firm specific information (such as dividend declarations, earnings announcement and bonus issues), the abnormal returns and the absolute.

Estimation techniques
To generate the expected return by the market model, the Ordinary Least Square (OLS) technique was employed. A regression was run on the daily share return for each firm in the sample surrounding the release of firm specific information against the daily market return, as proxy by the market index for the corresponding calendar day. The parameters of the market model were estimated over a 200-day estimating period, from day t - 210 to day t-10. This 200 day period is in the range recommended by Strong (1992) and other previous studies in this area. The abnormal return data was analyzed by STATA version 13.0 Data was analyzed by descriptive and inferential statistics and significance tested by T-test. The level of significance was set at 5%.

The Abnormal return is the percentage of change in share price below or above what would normally be expected to occur. To improve the informativeness of the analysis of abnormal returns, I averaged the ARs across the observations for all events, N, using the following equation.

\[ \text{AAR} = \frac{1}{N} \sum_{i} \text{AR}_t \]  

(4)

Where

\[ \text{AAR} = \text{Average abnormal return at day } t \]
\[ N = \text{Number of events in the sample} \]
\[ \text{AR}_t = \text{Abnormal return for share } i \text{ at day } t \]

In order to make generalizations and to draw on overall inference for the market reactions to earnings announcement, the cumulative abnormal returns was also analyzed for the 21-day event window, from the start of the event period t-10 (day -10) up to time t+10 (day +10) as follows

The CAARs for each stock is obtained by summing average abnormal returns (AARs) over the event window.

\[ \text{CAAR} = \sum_{i} \text{AAR}_t \]  

(5)

Where

\[ \text{CAAR} = \text{Cumulative abnormal return of day } t \]
\[ \sum_{i} \text{AAR}_t = \text{Sum of Average abnormal return of day } t-10 \text{ to } t+10 \]

Empirical results
Average abnormal returns and significant values for 2015
Table 1, shows the overall estimation of the average abnormal returns (AAR) and the standard deviations for the day -10 to day +10 of the event window and their respective estimated t and p-values. From the table, the AAR has the lowest value of -1.0600 on the -6 days and the highest value of 1.7825 on the +10 day (a day after the announcement). The trend indicates that the stock market does not react instantaneously to the release of dividend announcements.

Table 1. Average abnormal returns and significant values for 2015

<table>
<thead>
<tr>
<th>Event window (Day)</th>
<th>AAR(t)</th>
<th>CAAR(t)</th>
<th>Standard dev.</th>
<th>t-value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-10</td>
<td>0.4350</td>
<td>0.43%</td>
<td>1.34205</td>
<td>-1.352</td>
<td>0.269</td>
</tr>
<tr>
<td>-9</td>
<td>0.0200</td>
<td>0.45%</td>
<td>1.20988</td>
<td>-1.967</td>
<td>0.144</td>
</tr>
<tr>
<td>-8</td>
<td>-0.7450</td>
<td>-0.72%</td>
<td>1.62441</td>
<td>-2.917</td>
<td>0.062</td>
</tr>
<tr>
<td>-7</td>
<td>0.1575</td>
<td>-0.59%</td>
<td>0.92269</td>
<td>-1.62441</td>
<td>0.196</td>
</tr>
<tr>
<td>-6</td>
<td>-1.0600</td>
<td>-0.90%</td>
<td>0.95927</td>
<td>-4.210</td>
<td>0.024**</td>
</tr>
</tbody>
</table>
The announcement.

Source: Author’s computation from statistical package for social science (SPSS).

*significant difference from zero at 1% level of significance.

**significantly different from zero at 5% level of significance.

It is assumed that if the p-value of AARt and CAARt is less or equal to the estimated critical value of and level of significance (i.e. 1% or 5% level of significance), the results show statistical significance of average abnormal return or cumulative average abnormal return, those being produced by the shares before, on or after the announcement date and therefore suggests inefficiency in the market.

The study above shows that abnormal returns on the Ghana stock market. The average abnormal returns AARt (on day -6 (-1.0600), and day -2 (-.4850), before dividend announcements, (column 2 of the table) among others after the dividend announcements are found to be statistically significant and positive with corresponding p-values of 0.0240**and, 0.014** respectively (at *1% and **5% level of significance). Column 2 and 5 of the above table also show the remaining AAR values and the corresponding significant p-values.

Figure 1 below, shows further, the graphical explanation of the relationship between AAR and the event window from -10 days to +10 days. The graph provides evidence of how the Ghana stock market reacts positively and negatively to dividend announcements.

<table>
<thead>
<tr>
<th></th>
<th>AARt</th>
<th>CAARt</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>-0.4450</td>
<td>-0.61%</td>
</tr>
<tr>
<td>4</td>
<td>0.3950</td>
<td>0.84%</td>
</tr>
<tr>
<td>3</td>
<td>-0.9675</td>
<td>-0.57%</td>
</tr>
<tr>
<td>2</td>
<td>-0.4850</td>
<td>-1.45%</td>
</tr>
<tr>
<td>1</td>
<td>-0.0700</td>
<td>-0.55%</td>
</tr>
<tr>
<td>0</td>
<td>0.1050</td>
<td>0.04%</td>
</tr>
<tr>
<td>1</td>
<td>0.1925</td>
<td>0.30%</td>
</tr>
<tr>
<td>2</td>
<td>0.0875</td>
<td>0.28%</td>
</tr>
<tr>
<td>3</td>
<td>-0.1300</td>
<td>-0.04%</td>
</tr>
<tr>
<td>4</td>
<td>1.0025</td>
<td>0.87%</td>
</tr>
<tr>
<td>5</td>
<td>-0.4300</td>
<td>0.58%</td>
</tr>
<tr>
<td>6</td>
<td>0.0575</td>
<td>-0.37%</td>
</tr>
<tr>
<td>7</td>
<td>0.5000</td>
<td>0.56%</td>
</tr>
<tr>
<td>8</td>
<td>1.0025</td>
<td>1.50%</td>
</tr>
<tr>
<td>9</td>
<td>0.2525</td>
<td>1.25%</td>
</tr>
<tr>
<td>10</td>
<td>1.7825</td>
<td>2.03%</td>
</tr>
</tbody>
</table>

Source: Research finding

The curve for cumulative average abnormal returns for 2015 slopes generally downwards for the 10 days before the dividend announcement date, and is generally upward sloping for the 10 days after the announcement. The curve for average abnormal returns fluctuates both before the dividend announcement date and after, but is negative before the dividend announcement date and positive after the dividend announcement date. On the day of announcement the average abnormal returns increases
rapidly as depicted by the curve. There is an upward kink on the average abnormal returns as evidenced by the curve.

It is realized that dividend announcement has a significant effect on stock returns. This is evidenced by the fact that the cumulative abnormal returns curve slopes downwards depicting a decrease in the returns before the announcement day. After the announcement day the curve slopes upwards depicting a positive reaction by the returns.

### Table 2. Test of significance for average abnormal returns for the year 2015

<table>
<thead>
<tr>
<th>Test Value = 0.66546</th>
</tr>
</thead>
<tbody>
<tr>
<td>t</td>
</tr>
<tr>
<td>AAR2015</td>
</tr>
</tbody>
</table>

Source: Research finding

The t-test statistics was calculated using a 5% level of significance. The t-test is -3.753 which lies in the rejection area. Hence we reject the null hypothesis that dividend announcement does not have an effect on stock returns of firms listed at the Ghana stock Exchange for the year 2015. The p-value for AAR in the year 2015 is 0.001 (less than 0.005) which also leads us to rejecting the null hypothesis since the value is less than the level of significance.

### Table 3. Test of significance for cumulative average abnormal returns for the year 2015

<table>
<thead>
<tr>
<th>Test Value = 0.84409</th>
</tr>
</thead>
<tbody>
<tr>
<td>t</td>
</tr>
<tr>
<td>CAAR2015</td>
</tr>
</tbody>
</table>

Source: Research finding

The t-test statistics was calculated using a 5% level of significance. The t-test is 13.188 which lies in the rejection area. Hence we reject the null hypothesis that dividend announcement does not have an effect on stock returns of firms listed at the Ghana Stock Exchange for the year 2015. The p-value for CAAR in the year 2015 is zero which also leads us to rejecting the null hypothesis since the value is less than the level of significance.

### Average abnormal returns and significant values for 2016

Table 4, shows the overall estimation of the average abnormal returns (AAR_t) and the standard deviations for the day -10 to day +10 of the event window and their respective estimated t and p-values. From the table, the AAR_t has the lowest value of -1.9080 on the -2 days and the highest value of 2.1780 on the +8 day (a day after the announcement). The trend indicates that the stock market does not react instantaneously to the release of dividend announcements.

<table>
<thead>
<tr>
<th>Event window (Day)</th>
<th>AAR_t</th>
<th>CAAR_t</th>
<th>Standard dev.</th>
<th>t -value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-10</td>
<td>0.5940</td>
<td>0.59%</td>
<td>0.91705</td>
<td>-0.788</td>
<td>0.475</td>
</tr>
<tr>
<td>-9</td>
<td>0.0580</td>
<td>0.63%</td>
<td>0.46446</td>
<td>-1.957</td>
<td>0.122</td>
</tr>
<tr>
<td>-8</td>
<td>-1.5600</td>
<td>-1.50%</td>
<td>2.64771</td>
<td>-3.554</td>
<td>0.024 **</td>
</tr>
<tr>
<td>-7</td>
<td>-0.7980</td>
<td>-2.36%</td>
<td>1.53050</td>
<td>-3.402</td>
<td>0.027 **</td>
</tr>
</tbody>
</table>
**Table 1.** Estimated AARt, and CAARt for 2016

<table>
<thead>
<tr>
<th>Day</th>
<th>Estimate AARt</th>
<th>CAARt</th>
<th>Significance Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>-0.3880</td>
<td>-1.18%</td>
<td>0.59479</td>
</tr>
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<td>-0.1860</td>
<td>-0.57%</td>
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<td>0.0300</td>
<td>-0.16%</td>
<td>0.05385</td>
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<td>-0.5660</td>
<td>-0.54%</td>
<td>1.38749</td>
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<td>-1.9080</td>
<td>-2.47%</td>
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<td>-0.5260</td>
<td>-1.12%</td>
<td>1.51548</td>
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<td>-0.9480</td>
<td>-1.47%</td>
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<td>0.87776</td>
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<td>0.0560</td>
<td>-0.39%</td>
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<td>4</td>
<td>-0.3440</td>
<td>-0.29%</td>
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<td>-1.42%</td>
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<td>-0.82%</td>
<td>0.49624</td>
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<td>7</td>
<td>-0.1360</td>
<td>0.13%</td>
<td>0.32005</td>
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<tr>
<td>8</td>
<td>0.0060</td>
<td>-0.13%</td>
<td>0.54638</td>
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<tr>
<td>9</td>
<td>2.1780</td>
<td>2.19%</td>
<td>4.25347</td>
</tr>
<tr>
<td>10</td>
<td>1.2520</td>
<td>3.43%</td>
<td>2.04843</td>
</tr>
</tbody>
</table>

Source: Author’s computation from Statistical Package for Social Science (SPSS).

*significantly different from zero at 1% level of significance.

**significantly different from zero at 5% level of significance.

It is assumed that if the p-value of AARt and CAARt is less or equal to the estimated critical value of and level of significance (i.e. 1% or 5% level of significance), the results show statistical significance of average abnormal return or cumulative average abnormal return, those being produced by the shares before, on or after the announcement date and therefore suggests inefficiency in the market.

The study above shows that abnormal returns on the Ghana stock market. The average abnormal returns AARt (on day -8(-1.5600), day -7 (-0.7980), day -6 (-0.3880), day -5 (-0.1860), day -3 (-0.5660), day -2 (-1.9080) day and day -1(- .5920) before dividend announcements and day +1(-0.9480-), day +2(-0.4420), day +4(-0.3440), day +5(-1.0780), and day +7(-0.1360), (column 2 of the table) among others after the dividend announcements are found to be statistically significant and positive with corresponding p-values of 0.024 **, 0.027 **, 0.021 **, 0.046 **, 0.035 **, 0.024 **, 0.030 **, 0.007 *0.028 **, 0.041 **, 0.008 * and 0.033 ** respectively (at *1% and **5% level of significance). Apart from these, the AAR value on the announcement day (day0) is -0.5260 and shows a significant p-value of 0.039** indicating a positive reaction of the market. Column 2 and 5 of the above table also show the remaining AAR values and the corresponding significant p-values.

Figure 2, further shows the graphical explanation of the relationship between AAR and the event window from -10 days to +10 days. The graph provides evidence of how the Ghana stock market reacts positively and negatively to dividend announcements.

![Figure 2](image-url)

**Figure 2.** Estimated AARt, and CAARt for 2016

Source: Research finding
The curve for cumulative average abnormal returns for 2016 slopes generally downwards for the 10 days before the dividend announcement date, and is generally upward sloping for the 10 days after the announcement. The curve for average abnormal returns fluctuates both before the dividend announcement date and after, but is negative before the dividend announcement date and positive after the dividend announcement date. On the day of announcement the average abnormal returns increases rapidly as depicted by the curve.

**Table 5. Test of significance for average abnormal returns for the year 2016**

<table>
<thead>
<tr>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAR2016</td>
<td>-5.82113</td>
<td>.000</td>
<td>-1.12838</td>
<td>-1.5328</td>
<td>-0.7240</td>
</tr>
</tbody>
</table>

Source: Research finding

The t-test statistics was calculated using a 5% level of significance. The t-test is -5.82113 which lies in the rejection area. Hence we reject the null hypothesis that dividend announcement does not have an effect on stock returns of firms listed at the Ghana stock Exchange for the year 2016. The p-value for AAR in the year 2016 is zero which also leads us to rejecting the null hypothesis since the value is less than the level of significance.

**Table 6. Test of significance for cumulative average abnormal returns for the year 2016**

<table>
<thead>
<tr>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAAR2016</td>
<td>-5.268</td>
<td>0.000</td>
<td>-3.71994</td>
<td>-5.1928</td>
<td>-2.2471</td>
</tr>
</tbody>
</table>

Source: Research finding

The t-test statistics was calculated using a 5% level of significance. The t-test is -5.268 which lies in the rejection area. Hence we reject the null hypothesis that dividend announcement does not have an effect on stock returns of firms listed at the Ghana Stock Exchange for the year 2016. The p-value for CAAR in the year 2016 is zero which also leads us to rejecting the null hypothesis since the value is less than the level of significance.

**Average abnormal returns and significant values for 2017**

Table 7 shows the overall estimation of the average abnormal returns (AAR.) and the standard deviations for the day -10 to day +10 of the event window and their respective estimated t and p-values. From the table, the AARt has the lowest value of -1.0600 on the -6 days and the highest value of 1.7825 on the +10 day (a day after the announcement). The trend indicates that the stock market does not react instantaneously to the release of dividend announcements.

**Table 7. Average abnormal returns and significant values for 2017**

<table>
<thead>
<tr>
<th>Event window (Day)</th>
<th>AARt</th>
<th>CAARt</th>
<th>Standard dev.</th>
<th>t -value</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>-10</td>
<td>-0.0950</td>
<td>-1.56%</td>
<td>0.21079</td>
<td>-2.901</td>
<td>0.062</td>
</tr>
<tr>
<td>-9</td>
<td>-0.6150</td>
<td>-1.47%</td>
<td>0.61690</td>
<td>-3.994</td>
<td>0.028**</td>
</tr>
<tr>
<td>-8</td>
<td>0.2600</td>
<td>-0.85%</td>
<td>0.60536</td>
<td>-1.141</td>
<td>0.337</td>
</tr>
<tr>
<td>-7</td>
<td>0.0500</td>
<td>-1.11%</td>
<td>0.39013</td>
<td>-1.744</td>
<td>0.180</td>
</tr>
</tbody>
</table>
It is assumed that if the p-value of AARt and CAARt is less or equal to the estimated critical value of and level of significance (i.e. 1% or 5% level of significance), the results show statistical significance of average abnormal return or cumulative average abnormal return, those being produced by the shares before, on or after the announcement date and therefore suggests inefficiency in the market.

The study above shows that abnormal returns on the Ghana stock market. The average abnormal returns AARt (on day 9 (-0.6150), day -3 (-0.2925), and day -1 (-.2475), before dividend announcements,(column 2 of the table) among others after the dividend announcements are found to be statistically significant and positive with corresponding p-values of 0.028**, 0.034**, 0.025**, 0.011 and .045** respectively (at *1% and **5% level of significance). from these, the AAR value on the announcement day (day0) is -0.2925 and shows a significant p-value of 0.014 **indicating a positive reaction of the market. Column 2 and 5 of the above table also show the remaining AAR values and the corresponding significant p-values.

The graph below shows the pictorial explanation of the relationship between AAR and the event window from -10 days to +10 days. The graph provides evidence of how the Ghana stock market reacts positively and negatively to dividend announcements.

Source: Author’s computation from Statistical Package for Social Science (SPSS).

*significantly different from zero at 1% level of significance.

**significantly different from zero at 5% level of significance.

<table>
<thead>
<tr>
<th></th>
<th>AARt</th>
<th>CAARt</th>
</tr>
</thead>
<tbody>
<tr>
<td>-6</td>
<td>0.1375</td>
<td>-1.16%</td>
</tr>
<tr>
<td>-5</td>
<td>0.2400</td>
<td>-1.30%</td>
</tr>
<tr>
<td>-4</td>
<td>0.3950</td>
<td>-1.54%</td>
</tr>
<tr>
<td>-3</td>
<td>-0.2925</td>
<td>-1.93%</td>
</tr>
<tr>
<td>-2</td>
<td>-0.2500</td>
<td>-1.64%</td>
</tr>
<tr>
<td>-1</td>
<td>-0.2475</td>
<td>-1.39%</td>
</tr>
<tr>
<td>0</td>
<td>-0.2925</td>
<td>-1.14%</td>
</tr>
<tr>
<td>1</td>
<td>-0.0325</td>
<td>-0.85%</td>
</tr>
<tr>
<td>2</td>
<td>0.1450</td>
<td>-0.82%</td>
</tr>
<tr>
<td>3</td>
<td>-0.1075</td>
<td>-0.97%</td>
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<td>-0.61%</td>
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<td>0.2600</td>
<td>-0.54%</td>
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<tr>
<td>7</td>
<td>-0.5650</td>
<td>-0.80%</td>
</tr>
<tr>
<td>8</td>
<td>0.4025</td>
<td>-0.24%</td>
</tr>
<tr>
<td>9</td>
<td>-0.2875</td>
<td>-0.64%</td>
</tr>
<tr>
<td>10</td>
<td>-0.3500</td>
<td>-0.35%</td>
</tr>
</tbody>
</table>

Source: Research finding

Figure 3. Estimated AARt, and CAARt for 2017
The curve for cumulative average abnormal returns for 2017 slopes generally upwards for the 10 days before the dividend announcement date, and is generally downward sloping for the 10 days after the announcement. The curve for average abnormal returns fluctuates both before the dividend announcement date and after, but is negative before the dividend announcement date and positive after the dividend announcement date. On the day of announcement the average abnormal returns increases rapidly as depicted by the curve.

<table>
<thead>
<tr>
<th>Test Value = 0.29275</th>
</tr>
</thead>
<tbody>
<tr>
<td>t</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>AAR2017</td>
</tr>
</tbody>
</table>

Source: Research finding

The t-test statistics was calculated using a 5% level of significance. The t-test is -5.738 which lies in the rejection area. Hence we reject the null hypothesis that dividend announcement does not have an effect on stock returns of firms listed at the Ghana stock exchange for the year 2017. The p-value for AAR in the year 2017 is zero which also leads us to rejecting the null hypothesis since the value is less than the level of significance.

<table>
<thead>
<tr>
<th>Test Value = 0.44738</th>
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</thead>
<tbody>
<tr>
<td>t</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>CAAR2017</td>
</tr>
</tbody>
</table>

Source: Research finding

The t-test statistics was calculated using a 5% level of significance. The t-test is -15.201 which lies in the rejection area. Hence we reject the null hypothesis that dividend announcement does not have an effect on stock returns of firms listed at the Ghana stock exchange for the year 2017. The p-value for CAAR in the year 2017 is zero which also leads us to rejecting the null hypothesis since the value is less than the level of significance.

It is observed that there is an effect of dividend announcement on the share price on the announcement date, and a positive effect on the days before and after. An analysis of the AARt values for the different time periods and their respective t-values indicate that the GSE is inefficient in its semi strong as shown by the reaction of stock prices around dividend announcements. This can be inferred from Fama (1969) as the stock returns of the sample firms on the GSE have generated average abnormal returns before and after the dividend announcement which would otherwise not have been observed had the market been in the semi-strong efficient form.

**Conclusion**

The conclusion is that dividend announcement has a positive effect on stock returns of firms listed at the Ghana stock exchange. It can also be concluded that the Ghana stock exchange market reacts to new information such as dividend announcement. Fama (1970) stated that in an efficient market all publicly available information is reflected in the stock prices such that no individual can make abnormal returns by trading on the information. The trend in the results it is assumed that the weak form of efficient of the Ghana stock exchange would continue to provide gainful arbitrage opportunities for only a few investors who can be smart. It was realized that dividend is one of the significant issues in
the determination of share prices and market returns. Against the background discussed in the foregoing section, the following recommendations are made:

Financial analysts on the stock should take advantage and periodically make predictions to beat the stock market averages. The statistical significance observed can create the possibility for investors to steadily beat or outperform the stock market.

Reference

Market Orientation in Service Industry: Banking and Insurance Sectors in Malawi

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E-mail: enwellkadango@gmail.com

Abstract

The study was conducted to assess the marketing orientation for Malawian companies. Business performance is linked to market orientation hence it is important for companies to display the behaviour that is in keeping with this phenomenon. Malawi being a least developed country has its industry sector contribution key to its economic growth. Such industry need to contribute positively to help push the economic growth of the country.

Marketing orientation has proved to be important in driving such business growth through the implementation of the marketing concept. The aims for this study was to find out if companies in Malawi are market oriented. The gap that existed on the Malawi market was that no such research has been done in Malawi before and this study aimed to bridge that gap and help companies realize the importance of being market oriented.

The objectives of the study included as assessment of the market orientation of companies in Malawi, Resourcing of the marketing department tasked with the implementation of the marking concept and if the marketing concept is fully implemented in the companies in Malawi. The final objective was to check if MKTOR and MARKOR scales used for assessing market orientation give similar conclusion on market orientation.

The study was a case study in nature and used mixed research methods where both quantitative and qualitative data collections methods were applied. Survey instrument questionnaires were administered to two companies that participated in the study. This was followed by qualitative in-depth face-to-face interview where more observation on the market orientation constructs, proof of processes and behaviours were ascertained as part of action research necessary in case study methodology.

The research used simple random sampling in both companies to select respondents who participated in the study, which mainly looked for employees in supervisory and management level in order to make sure they would articulate and understand the study constructs under investigated. Analysis used SPSS version 20 where frequencies, means and equality of means analysis for construct comparison between two scales.

The findings in this study reveal that companies in Malawi are market oriented especially the service sectors of banking and insurance that were studies. Both MKTOR and MARKOR scales revealed positive outcome of market orientation for both companies apart from differing in the level of market orientation each scale achieved. MKTOR revealed high-level market orientation while MARKOR revealed moderate level market orientation. However, resource allocation both human personnel and financial resources to the marketing department were somewhat lacking. This in the end affected the implementation of the marketing concept, a cornerstone for market orientation. MKTOR and MARKOR assessment scales achieved same direction of results hence valid scales giving same conclusion when used to assess market orientation.

A number of recommendations have been defined which will help companies drive a full market orientation status. While MKTOR came out with few shortfalls as opposed to MARKOR scale, it is clear that there is need to enhance the marketing department, which in turn leads in the implementation of the marketing concept that is a pre-requisite for market orientation. It follows that ample marketing budget need be given to marketing aside with human personnel for proper division of labour. Obviously if marketing department has enough resources both human capital and financial muscle, the marketing department would ably coordinate, follow up, implement marketing concept. Besides having a fully-fledged marketing department with enough resources, it is incumbent upon top management to help enforce all employees to live a market orientation behaviour. Customer visits, departmental meetings,
Introduction

Business from many years have had their focus on different orientations. Keelson (2012) explains that in the early days when businesses were starting up, many organizations were production oriented. Kotler et al (2005) explained that product concept held the view that consumers would favour products that are available hence spurring the production era of that time where product availability was key. Next, businesses focused on sales orientation and then distribution orientation. Each business orientation that followed brought with it some additional dimensions that were lucking aimed at improving the offering of the product or service.

There was no need to differentiate products other than focusing on mass production. The sales era, brought in a sales department besides the focus on production. The sales department was to sell what the company produced while rest of the company employees were engaged in production. Hard selling according to Kotler et al (2005) presented its own negatives as it has the potential to push off customers who are not satisfied with the product being pushed for sale. Distribution orientation followed the sales orientation in order to make sure that product was available where consumers needed it.

However, over time, it was realized that consumers and customers needed more attention because they wanted products and services that met their needs. Consumer became more and more demanding such that companies had to change their focus that were previously production, sales and distribution orientation but instead adding an angle of meeting the needs of the consumers or customer, which essentially brought in marketing orientation. Keelson (2012) highlights that marketing philosophy came into being around 1950 with a notion that the starting point of any marketing process is consumer needs and wants. This pushed away the notion held before aggressive selling. During the era of production and sales orientation, the focus was not even on quality nor people engagement but that whatever was produced should be sold.

Differentiation was not part of the game up until consumers looked for quality products that met their needs. This obviously led to the birth of organized marketing and beginning of branded products, which are tailor made to meet specific needs of the customers. It also meant that companies needed to know what the needs of their customers and consumers were in order to drive appropriate innovations. Kotler et al (2005) puts that a fundamental shift happened such that companies started focusing on making products that customers wanted not just persuading them to buy. According to Kotler et al (2005), the game changed from filling a hole in the factory to filling a hole in the market place.

The customer is treated as a king and has the power to dictate what need to be produced. Wallace (2010) confirmed the notion that customer is king when it comes to needs and wants but not when customers demand free service or things at a cost beyond company expectation. With competitive landscape in modern times, companies have braced up for best marketing processes in order to provide the customer and consumer what they want and at the right price. Selling is no longer by force as there are many options, which has made competition stiffer than ever before. Grabher et. al. (2015) further suggests that despite the customer being the king, there is a shift in that the same customer is involved in product development, which would help simplify acceptance of the product, as customer is involved from the developmental stages of the product. In order to be market oriented, companies have to implement the marketing concept in full and ensure all facets of the marketing concepts are applied for the gleaning of insights and responding with best innovations that excel on the market.

Marketing concept entails being able to conduct research to check what consumers want and auditing the market and consumers / customers to know the trends in the marketing that would help come up with marketing mixes that meet consumer expectations to avoid product failure on the market.

Economic growth and business landscape

While economic growth has occurred in some African countries over the past decades, most of these economic growths in Africa do not match the size of growth recorded in western countries that were at
the same level with African countries 50 years ago. Werlin (1991) proclaimed that Ghana and South Korea were at the same footing economically in 1957 yet 30 years later around 1987, South Korea was 10 times better off than Ghana. A number of factors come to play being responsible for the lack of growth or slow pace of growth in most countries in Africa. This points to a number of factors such as political will, allocation of the resources and utilization of the country’s endowment and market orientation. Patcho and Dornberger (2014) narrates that there is a strong relationship between market orientation and business performance in areas of new product success, sales growth, profitability and return on investment.

While market orientation is the focus in this study, there are other factors affecting business performance in Africa some of which are political will which is like keys to a car that is fueled with resources to move but just needing the keys to start it (http://www.allafrica.com). Shule (2009) contends that political will is key in implementing development in axillary sectors of education. Elsewhere, (http://www.herald.co.zw) reports that political will is critical for economic growth of a country. Harnessing such resources for the growth of the country’s economy has been a challenge in African countries like Malawi.

Malawi has gone through 50 years of post-independence opportunity to drive its own economic growth. One wonders as to whether Malawi is better off now than before the independence journey that started more than 50 years ago. While consenting that there are many factors responsible for the dismal growth or even decline of African economies, the focus on this study will concentrate on the Industrial and service sector growth in relation to market orientation. If a company or business has embraced market orientation, all the concepts of marketing growth would be realized in the business. Malawi for example has 60% contribution of its GDP coming from the Industry and services while the remaining 40% has always been a short fall met by donor agencies to meet the country’s annual budget (Hall and Mambo 2015). Industrial growth largely depends on the products and services being produced locally, its quality and how it is marketed to create the demand. With this notion, market orientation becomes very important for the industry or service sector to contribute meaningfully to the economic growth of a country. In Malawi, companies that opened their factories or services before Malawi attained independence are now smaller than they were at that time or have declined from the peak sales achieved along the independence journey because of many factors.

Many factors have impinged industry and service growth in Malawi. Amongst the challenges to industry and service growth, include the level of market orientation adopted by businesses, red tape issues, poor infrastructure, limited access to finances and weak skill among others (Africa Economic Outlook 2014). Weak skills would include marketing skill, key to this study in driving market orientation if adopted by companies. Marketing competencies are critical to the creation of demand in the local market before venturing into the regional market and then global arena. To generate such demand for the products and services produced by any given company, there must be well-planned activities following the company’s strategic direction mainly coordinated by the Marketing function.

CIM (2015) highlights that the marketing process is central to business performance of companies. However, the key question is; do companies in Malawi have the marketing process in place with competencies it requires to create such demand for its products and or services. Coupled with marketing competencies, does Malawi have the complementary marketing agencies, research agencies and creative force that can bring the innovation out onto the market locally, regionally and beyond in this very competitive environment. Marketing needs to be seen as an issue for the whole company, it must be seen as the sourcing and harvesting of cash flow to underline its importance to any organization whether they have a marketing department or not (www.deloitte.co.uk/marketing). Do companies have a marketing function that is well resourced to implement the marketing concept without challenges?

As people who use various products and services, we are involved in this game of marketing along its chain whether passive or active. Vogel (1950) confirms that consumers are part of the marketing process as either consumers or drivers of the marketing mix from the industry perspective. One can safely say that we hold the keys to the economic growth of a country by our very actions in using or not using these products or services.
Manufacturing and service sectors in Malawi

Both manufacturing and service sector of the economy play a crucial role in terms of contribution to the gross domestic product of any given nation. Malawi is one such a nation where the industry both manufacturing and service sector contribution to the economy is sizeable currently at 67% as a percentage of the country’s GDP (https://www.cia.gov). Malawi, though dependent on agriculture (Bingu wa Muthalika 2006) that drives its economy; it still has a big contribution from the industry sector of the economy. Agriculture dependency is mainly because 85% the Malawi population resides in the rural area engaged in peasant farming. Much of the export earnings for the country comes from agriculture with cash crops topping the list while exports from the industry is somewhat meagre. Growing the industry sector would do the economy much good and position the country on the proper footing for its economic growth.

For a country like Malawi to drive good performance of its economy, it must have its industry performance at its best. Commonly, it is often echoed that a thriving industry drives the growth of the economy. Malawi’s industrialization is at a cross road with backward development instead of forging ahead. Malawi, now over 50 years on after independence, is worse off in as far as its industrialization is concerned. The retarded growth of businesses in the country is partly responsible for poor performance of the economy; is the thrust of this study. Business management that mostly look at the bottom line must know that to have a bottom line, there must be a top line as well and Gaskill and Windsor (2013) advises that topline growth though long term measure of the business performance is critical and comes from implementing marketing strategy and driving marketing activities which must be measured accordingly.

While bottom line looks at the profit levels and financial data, marketing key performance indicators become critical in driving the topline and growth of the business. An economy must provide the needed landscape in which businesses can have the right environment for managing their products and services to grow locally with potential to grow regionally and globally as well. Growth in the industry means growth for the economy. For businesses to grow, they must implement the marketing concept, which will ensure the behavioural traits of the market orientation are intrinsically sound. Companies in Malawi need to be market oriented if they are to produce growth locally, regionally and embark on global growth. The resulting impact of this growth will be the economic growth of the nation.

The general malawi economy

Malawi is an agricultural based economy with over 80% reliance on agriculture (Bingu was Muthalika 2006). Most of the people in Malawi stay in rural areas with only 15% urbanization. As such, these people are rural areas are mostly peasant farmers who live on a hand to mouth sort of life. The Government of Malawi for some time now has been assisting farmers with subsidies (Dorward and Chirwa (2011) for materials that are needed in farming due to increasing costs of farming inputs. While there are other economic driver for the Malawi economy, agriculture is the main one. Following from this is the contribution coming from the industry thus both manufacturing and service sectors of the economy with at least 67% contribution to GDP (http://www.cia.gov). However, service sector alone is huge at 76% of the combine manufacturing and service sector impact to the country’s GDP (http://intracen.org). Malawi tourism also presents an economic growth driver for the country.

However, the sector is under developed with low contribution to GDP. World Bank (2010) quotes WTTC (2010A) that Malawi core tourism contributed 2.9% to the country’s GDP. With several endowments, Chilima (2011), ranging from national parks, game reserve, the lake itself and cultural heritage, Malawi tourism should have been much better than what it is. Despite the endowment of the fresh waters from Lake Malawi that habours the world’s renowned heritage of Lake Malawi national park, the tourism growth has remained dismal compared to other countries. World Bank (2010) further suggests that tourism growth in Malawi has remained subdued recording a contribution of 3% to 5% between 2000 and 2009, which means for the post independent years, tourism is still not posting sizeable contribution to the economic growth of Malawi.

From the perspective of the Malawi economy, which is agriculture based, there is heavy reliance on natural phenomena, which the country has no control over. These natural phenomena include weather pattern for which every farmer works on the faith that the season will be good for farming. At times,
there is adverse rainy season that affect agriculture output and thereby putting the lives of over 80% Malawians at risk. In some years, adverse weather and rainfall pattering and or pests that have affected the crop have affected the country harvest. The Country does not have many commercial farmers in various crops accept a few like tobacco, tea, coffee and sugarcane. Maize, which is a staple food, is largely left to peasant farming posing a very high risk of failure in the event of adverse weather conditions during the farming season. Most of the maize producers are peasant farmers who according to Dorwan and Chirwa (2011), confirms that only 10% of the maize producers in Malawi are net sellers while 60% are net buyers. The country is devoid of major commercial farmers especially in the staple food crop like maize. At least commercial farmers would normally respond swiftly where there are pests’ attack in the field like armyworms, aphids and streaks as they can apply pesticides to control such occurrences, outbreaks or threats in the field. Peasant farmers on the other hand have no resources to combat any danger to their crop failure. This being the backbone of the economy makes economic growth a challenge as more reliance is placed on rainfall pattern for peasant farming. There is very little irrigation in staple food farming.

Despite the low contribution of the manufacturing and service industry to the economy, evidence has it that growing this sector would greatly improve the economy of Malawi. At least products from the industry can be exported thereby reducing the net import. Malawi needs to turn its attention to industrialization once again as it was along the independent journey when many manufacturing and service sectors were booming. Big companies like Unilever, (then Lever Brothers) and David White Head and Son commanded great respect as great employers but have since trimmed they employees to very low numbers. While the country provides conducive environment for industry growth, it is up to the industry players themselves to position their companies for growth by following all the necessary marketing processes to grow the businesses. The market orientation drive, if fully blown would present such an opportunity for growth of the industry and economy at large. Implementing the marketing concept fully with all the needed resource financially and human capital would enhance industry growth.

The conceptual framework

This study uses the conceptual framework by Philip Kotler called marketing concept, which helps in the alignment of the marketing processes and the market orientation of a company. The marketing conceptual framework underpins this study because it is a prerequisite for market orientation. For all the work done in the marketing department, it is grounded in this marketing concept, which defines all the axillary areas that make up the marketing department and resource requirements. Implementation of such a concept is critical to the achievement of the market orientation. With the advent of technology in the modern world, some of the processes necessary for the implementation of the marketing concept have been made easy. It is therefore important for the service industry to apply fully the marketing concept in their companies. However, this may not be the case hence the study being undertaken.

Using this concept, market orientation, which is the overall focus of this study, refers to the development of attitude and practices that aim to maximize the company’s adaptation to the market (Avlonitis and Gounaris 1997). Kotler (2002) contends that key to achieving organizational goals consist of the company being more effective than its competitors in creating, delivering and communication customer value to its chosen target market. The marketing concept is broken down into marketing audits that is concerned with knowing what is happening in the market, market research that need to be carried out and lastly the marketing mix, which is the proposition itself that will be sold. In this study, the aim is to check what the attitude of the service industry is towards marketing. The study will also check if the processes in the framework above are fully implemented and supported. With the advent of technology, there are even simpler ways to collecting some of the information sated in the marketing concept especially with limited budgets in companies than doing normal traditional market research and market audits. The marketing concept framework is useful as it tell what processes ought to be done in a company that is market oriented.
Research problem

Marketing orientation, a behaviour construct that is understood as the implementation of the marketing concept, has received a lot of attention globally in literature. However, in Malawi, no such research has ever happened to check whether businesses are market oriented. Most businesses take marketing, a department that leads in the implementation of marketing concept as a cost centre. As such, few companies have organized structures of marketing department. In service sector of the economy, this problem is apparent, as more efforts have been placed on strengthening other departments other than marketing. The gap therefore exists in Malawi to assess the market orientation of companies. Service sectors in this case banking and insurance, have been known to have small marketing department thereby impinging the implementation of the marketing concept that assures the business behaviour that can make the company to be market oriented. While many studies on marketing orientation have been done elsewhere, none has been conducted in Malawi. This study aims to bridge this gap.

Purpose of the study and specific objectives

The study aims to assist businesses to focus on market orientation if they are to achieve competitive advantage and grow their businesses. The purpose of the study is to ascertain the orientation of businesses in Malawi with a view to advising on corrective measure that will enable companies to be market oriented. While considering the broad aim or objective of the study, the following specific objectives will apply for this study in order to address the research problem statement

1. To assess whether companies are market oriented in Malawi
2. To assess if marketing department is well equipped with the needed resources to implement the marketing concept
3. To assess if the marketing concept is fully implemented
4. To assess if MKTOR and MARKOR scales give same conclusion in the same study

Research questions

1. Are the companies in Malawi market oriented?
2. Is the marketing department well resourced?
3. Do companies implement fully the marketing concept?
4. Does MKTOR and MARKOR assessment scale give the same conclusion?

Hypotheses used for the study

Following the research questions that need to be answered, the following hypothesis have been developed to guide the study methodology and approach. These hypotheses are as follows:

H1. Companies in Malawi are not market orientated
H2. Marketing department in Service Industry is not well resourced
H3. Marketing concept is not fully implemented
H4. MAKTOR and MARKOR scales give same conclusion in the same study

Research methodology

It is a fact as alluded to by many researchers according to literature (Langat 2015, Kaur and Gupta 2012 & Missaoui and Ali Saidi 2015), that market orientation enhances performance of businesses. Therefore, companies need to strive to ensure that their businesses are market oriented. However, according to Kotler (2006), this is only possible if the marketing concept is fully implemented in the organization. Market orientation is a behavioural construct and one needs to study the real behaviour of the organization. With this in mind, the researcher opted for the use of case study research methodology of data collection. Reason for the choice of case study research methodology is that there is need to understand the dynamics of the organization as per the conceptual framework described in figure 1.4. Case study methodology was best suited for this cause (Grey 2014). The conclusion made from the study’s data analysis will help deduce if companies surveyed are demonstrating the behaviour and attitude that qualify them to be market oriented. This study adopt a mixed research methodology of data collection using the argument reported in literature (Creswell and Clark, 2007 and Toomela 2008).
The researcher having reviewed literature, decided on case study methodology approach owing to the nature of the research problem and question, which is to ascertain if companies in Malawi are market oriented. One need to decide on an appropriate methodology, which is critical so that proper data is collected to answer the research questions. Theories which are used in research help the researcher arrive at how and why conduct a research. Grey (2014) quotes Lee (2000) who described a theory as a set of interrelated constructs (concepts), definitions, and prepositions that present a systematic view of phenomenon by specifying relations among variables, with the purpose of explaining and predicting a phenomenon. While market orientation research have been done elsewhere, this information is missing for the Malawian context.

For case study research, descriptive is mostly applied hence in this study; descriptive was used complemented by quantitative, predictive research through survey questionnaire. Greenfield (2002) defines research as an art aided by skill of enquiry, experimental design, data collection, measurement and analysis by interpretation and by presentation. While it is commonly understood that one need to do research in order to know what is not known but to do that there must be a guiding research question. Walter (2010) who says that research question is the heart of research design backs importance of research question. The reason for the choice of the research design and methodology used in this study is described in the sections that follow with a justification befitting the data collection procedure used.

**Research design**

Research design according to Grey (2014) is the overarching plan for the collection, measurement and analysis of data. It describes the purpose of the study and kind of questions being addressed, the technics used for collecting data, approaches to sampling and analysis that will ensue. Shukla (2008) refers to research design as a master plan or blue print and a sequence of research activities. Primary data collection used both fieldwork by survey through structured questionnaire and in-depth interviews through unstructured questionnaire that was open ended. This study therefore adopts a mixed research methodology where both quantitative and qualitative data collections methods are applied. The two data collections methods have been known to govern most of the research work conducted by researchers the world over according to literature reviewed. Below are the description of each of the main data collection methodology applied in this research.

**Qualitative research**

Kotler (2005) defines qualitative research method as an exploratory research process that is used to uncover consumer’s motives, attitude and behaviour. Qualitative methods of data collection uses unstructured interviewing technics using different methods. Smith and Albaum (2012) highlights that the main methods used to collect data with research methodology include in-depth interviews and focus group. Other methods highlighted include projection techniques. Observations are also a form of qualitative method of data collection, which researchers use.

Qualitative research methodology usually emphasizes words rather than quantification in the collection and analysis of data (Bryman 2012). Qualitative researchers have advanced that this research method engages the participants, as they are actively involved in the data collection process. Grey (2014) advocates that qualitative research is immensely recommended for involving the participants as opposed to quantitative research that disengage the researcher from the respondent. This, Grey (2014) believes that doing research without engaging the respondent live would see it as failing as the reality is obscured. Further to the advances for qualitative research methods, the researcher goes deeper in the quest for information from the respondent. Both in-depth interview and focus group data collection allows the researcher to probe for more questions for further clarifications of the responses given during the interviews (Shukla 2008).

While qualitative researchers advance for this method of data collection (Kotler et.al, 2005 Smith and Albaum 2012, Grey 2012), the method has its own shortcomings as well. Literature reveals that generalization is an issue with qualitative methods because the data collected and its analysis are not quantifiable. Qualitative methods use small sample confirming the challenges of generalization (Bryman 2012). Shukla (2008) adds a voice on the qualitative method of data collection that it presents economic and timely data collection that is rich and accurate in recording market behaviour and
preliminary insights. However, Shukla (2008) conquers with other researchers that qualitative methods lack generalization reliability and validity.

Despite the shortcomings highlighted above, still qualitative research plays a crucial role in the research world. Some researchers have advised that both methods thus qualitative and quantitative should be looked at as complimentary (Creswell and Clark 2011). Qualitative methods is part of this study to glean more insightful information about the behaviour of the companies interviewed relating to market orientation. The researcher thus adopted the use of this method besides the quantitative methodology, which is covered below.

Quantitative research

One of the popularly used research methodology in data collection where large samples are involved is the quantitative methodology. In most cases, where researchers involve large number of respondents, this methodology has been recommended. Shukla (2008) contend that quantitative methods seek to quantity data and typically apply statistical analysis. Quantitative research are more robust than the qualitative research covered above. Hoe and Hoare (2012) indicates that quantitative research methods are used to test hypothesis, determine the relationships between variables and measure frequencies of observations. Main advantages for quantitative methods include generalization, large sample and determining relationships amongst variables.

Many researchers conquer that the research method that will allow for prediction of the future using analyzed data and is more rigorous than qualitative (Hoe and Hoare 2012). The major drawback for quantitative research methods is mainly the costs and time it requires to run it. However, these when compared to the benefits, it makes this data collection method much more preferred in most research work. Nevertheless, when properly applied, these two methods work in complimentary to each other in order to provide more informative data on the issue being investigated (Grey 2014, Walter 2011, Hoe and Hoare 2012).

The quantitative method has been used in this study due to its robustness while the two methods are working together to complement each other in the study. Having adopted case research methodology on data collection, both quantitative and qualitative methods have been applied in this study. Reason for use of mixed methodology is that the collected data is complementing each other but more importantly, the objective of the study is mainly to do with behaviour on market orientation, which needed to be surveyed and confirmed through in-depth interviews.

In order to satisfy the requirements for the research methodology for this study knowing that behaviour need to be ascertained to see if the companies are market oriented; a case study method of data collection was selected. Different research studies have different approach to data collection. Yin (1994) affirms that case study methodology is but one of the many different ways of data collection. Other methods include experiments; surveys and histories. Yin (1994) further explain that selection of the actual method depends largely on the research questions, control that the investigator has over the behaviour of the event being researched and lastly on the focus on the contemporary issue as opposed to historical phenomena.

The case study is mostly preferred when answering question like “why” and “how” used for probing behaviour (Shukla 2008). Case study method of data collection involves deep understanding of the organization behaviour and operations at different levels of the company. The case study method was selected as it logically describes the philosophical positions of the business in a systematic way. Zainal (2007) says that case study research methodology is considered a robust research method particularly when holistic in-depth investigation is required. This will be supplemented by qualitative and quantitative data gathering. In management research, it is also widely accepted that qualitative research is valuable and valid approach in its data collection.

Thomson (2011) explains that despite quantitative research results providing facts to validate theories, a qualitative research analysis uncovers a subjective viewpoint at the very heart of these facts. Thomson (2011) further points out that qualitative research has seen increased popularity over the last two decades becoming widely accepted in most disciplines. Chilima (2015) in his use of the case study methodology on knowledge management supplemented the quantitative survey data collection with qualitative data collection method. This study specifically makes use of the sequential explanatory
research design (Caswell and Clark 2011) where quantifiable data collected through survey method is being complimented and confirmed by qualitative data that has been collected through in-depth interview. The researcher carried out in-depth interviews to confirm some of the findings from the survey data collected as is required in case study research to confirm the behaviour.

**Case study research methodology**

This research uses case study research methodology in data collection. Polit and Beck define case study methodology as an in-depth investigation of a single entity where researchers obtain a set of descriptive information and may examine relationship amongst some phenomena. Grey (2014) quotes Tight (2010) who makes it clear that case study research involves understanding of the dynamics present within single setting.

Case study can combine a variety of data collection methods whose sources can include archives, interviews, surveys and participant observation. Dul and Hak (2008) adds to say that case study research is a form of exploratory research where one single instance known as the case or a small number of such instances are investigated in real life. Grey (2014) further says that case study methodology is ideal when the “why” and “how” questions are being answered about a contemporary set of events for which the researcher has no control.

This study involves two entities that were studied thus qualifying for the use of the case study research method. Furthermore, market orientation is a behaviour construct that needed to be investigated with case study methodology, which combined mixed research methods as well as action research on the ground, by the researcher.

Case study research has had some criticism especially when it comes to generalization that is limited due to its nature of sampling the fact that it involves few organizations. Yin (2009) clarifies that case study approach though not universally accepted as a reliable, objective and legitimate methodology to use but analytical generalization can be done. However, the case methodology was chosen in this study because it involves full understanding of the behavior and because only two organizations were used in the study representing banking industry and an insurance industry in the service sector of the economy. Due to the need to ascertain the behaviours in the organization, the research undertook a full in-depth face-to-face interview with representatives of the marketing department. This was necessary in order to gain more understanding of the why and how which was very critical in this type of investigation.

**Primary data collection**

As would be the case with many research works, primary data is critical for research studies that generate originality. Walter (2010) defines primary data as the information collected by the researchers themselves. This can be collected using a variety of methods such as survey and in-depth interviews. This often required some technical knowhow for the skilled personnel to design and implement the primary data collection instrument. The instruments that were used for primary data collection are discussed in the sections that follow.

**Sampling techniques**

This being a case study research, it would generally need the entire organization to be involved, which is not possible. Two organizations, one bank and one insurance company were selected for case study of this research. The bank is a local bank, which is third on the market position. The insurance company is a modern company with ownership of both local players and majority of international player thus mixing the skill set and drive of the business. Employees mostly in management and supervisory positions were targeted. A simple random sampling was applied from the available populations. Those targeted, being in managerial or supervisory positions were deemed knowledgeable in matters to do with market orientation and therefore would fairly represent the views of the organization. Grey (2014) defines a sample as a set of individuals selected from a parent population for a research study.

The two companies from which the sample was drawn have their head offices in Blantyre where the researcher is based. It was convenient for the researcher to meet and discuss with the companies for proximity reasons. In total, population at the bank was 700 while at the insurance company was 100 of which the sampling frame were 361 and 31 for the bank and insurance respectively. The sampling frame
was restricted to those in managerial or supervisory role. The sample was drawn from different departments in order to offer representation of the actual behaviours towards market orientation across the organization.

Data collection

For the quantitative part of the data collection for this study, survey questionnaires were used. Minister of Industry (2010) defines survey as any activity that collects information in an organized and methodical manner about characteristics of interest from some or all units of the population. This uses well-defined concepts, methods and procedures and compiles such information in a useful summary form. Gray (2014) contends that carefully constructed questionnaire is the principle tool used to collect data where surveys are concerned. Using a structured questionnaire, an interviewee records own answers following the instructions given in the questionnaire. This research tool used a structured questionnaire with coding and options given on a 6-point Likert scale. These questionnaires were self-administered through email and online google generated questionnaires (http://www.google.com).

A coordinator was appointed within the organization to help coordinate the completions of the questionnaires. The google survey form electronic method of administering the questionnaires was selected because it is faster and cheaper. This is an internet-based google survey application system, which was live from the time it was opened. A link was generated after all questions are typed into the google survey application. This link was then sent via email to all intended participants who upon receiving the email, respondent opens the link and start responding to the questions. All responses were collated on the same google application system. This questionnaire administration is easy and keeps updating in the system live as participants take the questions and submit. Researcher is able to follow up response rate as each response pops up in the researcher’s email alerting about the new response.

On the other hand, in-depth interviews using open ended questionnaire was conducted with the head of marketing. This mainly focused on evidence from responses given but also to confirm some of the documentation that are being generated while implementing the marketing concept in the quest to being market orientated company.

Data analysis

The data collected through the survey was analyzed using SPPS version 20 (IBM 2011). The researcher hired a competent statistician to assist with data analysis. Data was coded as required and variable were entered into an excel sheet before being transferred to the SPSS package to produce frequencies, means and standard deviation. Langat (2015) in the study on market orientation of the manufacturing companies in Kenya used a similar package to produce frequencies, means and standard deviation. The same statistical package was used to produce relationship that were required for the researcher to check the influence of some parameters on market orientation and or company performance.

Data collected through in-depth interviews was mainly themed and grouped together. These themes helped to confirm some of the findings in the survey responses especially that the researcher wanted to get evidence that the purported behaviours are taking place in the organization. As such, qualitative interview was a checker of the company’s position on market orientation, a truly sequential explanatory study where quantitative data is crosschecked using qualitative interviews (Creswell and Clark 2011).

In general, data analysis took three forms thus descriptive statistics, frequencies (univariate analysis) and lastly bivariate analysis for relationships or correlations. Under descriptive analysis, the data summary was done to provide a general overview of the respondents. Then univariate analysis was carried out producing frequency tables, which indicated the number of respondents and their corresponding percentage for each of the variable in the data collection (Patel 2009). Relationship between variables was analyzed in order to check the influence some variables have on the constructs being studies for market orientation. This made use of T-square and Chi-square to check the correlations (Patel 2009)


### Table 1. Response profile

<table>
<thead>
<tr>
<th>Company</th>
<th>Population</th>
<th>Sample</th>
<th>Percentage</th>
<th>Responses</th>
<th>Response Rate</th>
<th>Urban</th>
<th>Rural</th>
<th>% Urban</th>
<th>% Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANK Online</td>
<td>610</td>
<td>261</td>
<td>43%</td>
<td>114</td>
<td>43.7%</td>
<td>114</td>
<td>0</td>
<td>73%</td>
<td>0%</td>
</tr>
<tr>
<td>BANK Email</td>
<td>90</td>
<td>60</td>
<td>67%</td>
<td>42</td>
<td>70.0%</td>
<td>22</td>
<td>20</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>TOTAL BANK</td>
<td>700</td>
<td>321</td>
<td>46%</td>
<td>156</td>
<td>48.6%</td>
<td>136</td>
<td>20</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>INSURANCE Online</td>
<td>31</td>
<td>25</td>
<td>81%</td>
<td>19</td>
<td>76.0%</td>
<td>19</td>
<td>0</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Response profile was 49% for the bank and 76% for the insurance company which was not a bad achievement bearing in mind that internet or email based rates tend to be low as has been the case in other studies according to literature.

As for education level for the respondents, a good representation from both companies. It was important to get such an outcome as the study dependent more on the understanding of the respondents of the construct therefore education level was critical. Table 2 presents such details.
<table>
<thead>
<tr>
<th>Company</th>
<th>Population</th>
<th>Sample</th>
<th>Responses</th>
<th>Response Rate</th>
<th>Male</th>
<th>Female</th>
<th>MSCE / O Level</th>
<th>Under Graduate</th>
<th>Graduate</th>
<th>Post Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>700</td>
<td>321</td>
<td>156</td>
<td>48.6%</td>
<td>65%</td>
<td>35%</td>
<td>5.30%</td>
<td>30.7%</td>
<td>54.4%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Insurance</td>
<td>31</td>
<td>25</td>
<td>19</td>
<td>76%</td>
<td>61.1%</td>
<td>38.9%</td>
<td>5.6%</td>
<td>66.7%</td>
<td>16.6%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>
In order to determine the level of market orientation, an index (table 3) was developed against which each construct mean score was checked. The scale was adopted from other scholars who have used the similar index scale to place the companies as regards market orientation level.

![Table 3. Levels of market orientation (MO)]

<table>
<thead>
<tr>
<th>MO Level</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range</td>
<td>1 - 1.99</td>
<td>2 - 2.99</td>
<td>3 - 3.99</td>
<td>4 - 4.99</td>
<td>5 - 5.99</td>
</tr>
<tr>
<td>Average</td>
<td>1.5</td>
<td>2.5</td>
<td>3.5</td>
<td>4.5</td>
<td>5.5</td>
</tr>
</tbody>
</table>

**Results and discussion**

Detailed findings follow each of the research question of this study. Both scales as used in the same questionnaire provided similar direction of the results thus a good validation of the two different market orientation-measuring tools

**MKTOR scale assessment**

Each of the constructs under MKTOR scale were assessed independently. The results of which are presented in table 3 that follows. The results reveal that the two companies according to MKTOR (Narver and Slater 1990) scale are market oriented. The table below presents a summary of the grand means from each of the three MKTOR constructs.

![Table 3. MKTOR scale assessment outcome](image)

<table>
<thead>
<tr>
<th>MKTOR SCALE</th>
<th>Grand Mean</th>
<th>Insurance</th>
<th>Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Orientation</td>
<td>4.37</td>
<td>4.75</td>
<td></td>
</tr>
<tr>
<td>Competitor Orientation</td>
<td>4.43</td>
<td>4.47</td>
<td></td>
</tr>
<tr>
<td>Departmental Coordination</td>
<td>4.49</td>
<td>4.46</td>
<td></td>
</tr>
<tr>
<td>GRAND OF THE GRAND MEAN</td>
<td><strong>4.43</strong></td>
<td><strong>4.56</strong></td>
<td></td>
</tr>
</tbody>
</table>

Both companies using MKTOR scale achieved an emphatic revelation of high level of market orientation. Each of the constructs in the MKTOR scale has grand mean above 4.4, which falls within the range of 4.00 and 4.99 representing high level of market orientation. The grand of the grand mean scores achieved are 4.43 and 4.56 for the Insurance Company and the Bank respectively.

The finding in this study therefore conforms to the findings of other researchers as covered in literature that companies need to be market oriented to survive competition and also for better performance. The measure of market orientation using MKTOR scale by Narver and Slater (1990) looks more onto the customer and competitor construct from outside the company with departmental coordination as an internal company construct. Because of this focus on these two major construct of customer and competitor, some researchers criticized MKTOR assessment scale that it is narrow and may rate the orientation level higher than what they really could be. Tamaskova (2009) agrees with the view that MKTOR does not stress on the speed of gaining market information, which is very critical in business strategy development. Tamaskova (2009) continues to report that many other researchers criticized MKTOR quoting these other scholars on the account of validity not being satisfactory (Langerak 1997), does not measure customer value (Pehlam 1997). Other scholars that also criticized MKTOR include Webster (1994), Siguaw and Diamantopoulos (1994) and Rivera (1995) as reported by Tamaskova (2009). Nevertheless, the findings in this study using MKTOR scale reveal a strong market orientation rated high level according to the index generated having achieved a mean score above 4.4 for each construct. Marika, Roersen and Aard (2013) cements these results as the findings resonate what these researchers found in a high technology business study of market orientation using MKTOR scale. The researchers, Marika, Roersen and Aard (2013) concluded that MKTOR gives high rating of market orientation, which is similar to the findings in this study. They went on to observe that the sampled companies in their study had respondents that lacked marketing knowledge which impacts on the results because they may not comprehend the statement for an informed response. In their study therefore, (Marika, Roersen and Aard 2013) observed that the actual behaviour in the companies reflected a lower rated market orientation. The researchers argued that such cases happen when the
majority of the respondents do not possess marketing knowledge and thus fail to articulate the questions. Further to the findings in this study, the in-depth interviews observed a good understanding of marketing for the sampled companies and respondents mainly because of their experience in the industry and company as well as educational level coupled with their ranks in the business.

In-depth observation during face-to-face interview confirms a positive drive in these two companies on customer and competitor activities in their marketing and strategy development. Despite the other shortcomings mainly on staffing of the marketing department that is tasked with the coordination of these two constructs, visibly, one can conclude that there is a lot of effort placed on pushing the business to gain customer value through customer orientation and competitor orientation. Some competitor information generated by consultants or communication or research agents of the companies have added value to generation of competitor intelligence which though not gathered formally in this MKTOR assessment scale still finds its way to the business. It was observed through in-depth interviews that both companies have specially designated meetings that discuss business trends and competitor moves monthly. Reports from research and communication agencies and or reports from consultants and sales teams are a major topic on the agenda of these meetings. Therefore, from the analyzed data, it can be concluded that the two companies according to MKTOR scale results are high level market oriented companies. Gauzente (1999) in the study where the researcher compared the market orientation scales MKTOR and MARKOR on content analysis revealed that MKTOR was mostly appropriate for evaluating the firm’s current commitment towards its customers and therefore concluded that MKTOR might serve as a diagnostic tool.

From the observation point of view, documents, and performance reviewed for the two companies, it revealed that both companies are active with innovations on the market. This suggest that their market orientation drive is paying dividends. Smirnova, Re比亚zina and Frosen (2017) affirm the notion that companies that are market oriented tend to embrace innovative culture in the business. No wander, the bank has won several awards pertaining to innovativeness, which in itself bears testimony.

**MARKOR scale assessment**

After theorist Narver and Slater developed their first market orientation scale of MKTOR, which used the three constructs of customer, competitor orientation and departmental coordination, other theorist analyzed this scale and criticized it for lacking depth on some market critical data. These theorists, Kohli, Jaworski and Kumar (1993) observed that focusing on customer and competitor only ignores market intelligence generation and dissemination, which is important in a market-oriented company (Farrell and Oczkowski 1997). To this end, these theorists developed their own scale referred to as MARKOR for measuring market orientation, this they believed it covered more on market data with the inclusion of intelligence generation and dissemination. Many other theorist made their argument for and against each of the above scales. Pelham (1993) backed Narver and Slater instrument that the shortfall cited by Kohli, Jaworski and Kumar are adequately covered in the MKTOR instrument through specific measure on customer satisfaction, after sales and that of top management interaction. Despite these arguments, these theorists still agreed that the two scales MKTOR and MARKOR do a good job in measuring market orientation. Researchers generally agree that these two measures do provide the level of market orientation as they have been widely used.

MARKOR scale has four construct that are measured to ascertain the market orientation nature of the organization. These are intelligence gathering, intelligence dissemination, responsiveness and inter-functional coordination. The sections that follow present the outcome of the MARKOR scale on market orientation of the two companies studied.

| Table 4. MARKOR assessment outcome |
|-----------------------------------|----------------|--------|
| **MARKOR SCALE**                 | **Grand Mean** |
| Intelligence Gathering            | 3.95           | 3.85   |
| Intelligence Dissemination        | 3.85           | 3.73   |
| Responsiveness                    | 3.72           | 3.83   |
| Inter-functional Coordination     | 4.02           | 4.35   |

165
The results for the MARKOR scale reveal that both companies are moderate market orientated. All grand mean scores testify to this and out of the four constructs, the Inter-functional coordination scored above 4.0 grand mean meaning that it was the only construct that achieved high level market orientation under MARKOR scale.

However, due to moderate level market orientation as revealed by the rest of the constructs, the total score and grand of the grand mean reveals a moderate market orientation achieving 3.89 and 3.94 grand of the grand mean scores for the Insurance Company and the Bank respectively.

These findings affirm the views from Kohli, Jaworski and Kumar (1993) that adding the parameters of intelligence gathering and dissemination, which were found lacking in the MKTOR scale by Narver and Slater (1990) somehow down rated the outcome of the two companies on their level of market orientation. This suggests that the MARKOR scale is stringent compared to the customer and competitor focus scale of MKTOR. Nevertheless, it is pacifying that both scales still present the outcome for each of the two companies as being market oriented in their behaviour.

**Conclusion on both MKTOR and MARKOR scale assessment**

From the results analysis, it is clear that both companies are market oriented but the level is different between the two scales. Table 5 depicts the actual levels attained by each scale.

<table>
<thead>
<tr>
<th>MKTOR Customer Orientation</th>
<th>MKTOR Competitor Orientation</th>
<th>MKTOR Departmental Coordination</th>
<th>MKTOR Intelligence Generation</th>
<th>MARKOR Customer Orientation</th>
<th>MARKOR Competitor Orientation</th>
<th>MARKOR Departmental Coordination</th>
<th>MARKOR Intelligence Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Figure 1. MKTOR, MARKOR Mean Scores](image)

From the pivotal graphs, it is clear that the MKTOR scale outcome displayed a higher market orientation showing clear up away from the average mean score line. On the other hand the MARKOR scale that depicts the score line graph on the left as closer to the average mean score.

<table>
<thead>
<tr>
<th>ASSESSMENT SCALE</th>
<th>Grand Grand Mean</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>MKTOR ASSESSMENT</td>
<td>4.43</td>
<td>4.56</td>
</tr>
<tr>
<td>MARKOR ASSESSMENT</td>
<td>3.89</td>
<td>3.94</td>
</tr>
</tbody>
</table>

The scores used to assess the overall orientation for each scale were the grand of the grand means obtained by taking a mean of the grand means from each construct thus three constructs for MKTOR and four constructs for MARKOR scale developed by the two groups of market orientation theorists.
The results thus reveal that both companies are market oriented only that the levels of market orientation between MKTOR scale and MARKOR scale are different.

Other scholars according to literature have argued that the two scales can be used independently as well as complementary. In both cases, the conclusion arrived at would be valid. This study made use of both scales in order to check whether they provide the same conclusion on the behaviour of the companies thus to confirm what literature has covered. The results herein reveal same direction only differing in the levels of market orientation achieved. MKTOR scales achieved high level rating for both companies while MARKOR scale achieved moderate level rating for both companies.

The outcomes of this study therefore agree with literature that both of these scales are validated and are useful tools for assessing market orientation of any business, which is a major contribution to the body of knowledge.
Table 6. Bivariate relationship between bank and insurance company outcome

<table>
<thead>
<tr>
<th>SCALE</th>
<th>CONSTRUCT</th>
<th>Company</th>
<th>N</th>
<th>MEAN</th>
<th>SD</th>
<th>F</th>
<th>Sigma</th>
<th>t</th>
<th>Df</th>
<th>P (value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MKTOR</td>
<td>Customer, Competitor and Departmental coordination</td>
<td>Insurance</td>
<td>15</td>
<td>4.42</td>
<td>0.388</td>
<td>1.192</td>
<td>0.177</td>
<td>0.969</td>
<td>28</td>
<td>0.341</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank</td>
<td>15</td>
<td>4.58</td>
<td>0.497</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intelligence Generation</td>
<td>Insurance</td>
<td>10</td>
<td>3.95</td>
<td>0.486</td>
<td>1.936</td>
<td>0.181</td>
<td>3.97</td>
<td>18</td>
<td>0.696</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank</td>
<td>10</td>
<td>3.85</td>
<td>0.622</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intelligence Dissemination</td>
<td>Insurance</td>
<td>7</td>
<td>3.85</td>
<td>0.595</td>
<td>4.576</td>
<td>0.054</td>
<td>0.495</td>
<td>12</td>
<td>0.629</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank</td>
<td>7</td>
<td>3.73</td>
<td>0.294</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td>Insurance</td>
<td>13</td>
<td>3.72</td>
<td>0.538</td>
<td>4.470</td>
<td>0.045</td>
<td>-0.383</td>
<td>24</td>
<td>0.705</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bank</td>
<td>13</td>
<td>3.83</td>
<td>0.850</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
On relationship, t-test was carried out for MKTOR scale and the constructs under MARKOR scale to check if the two companies present similar outcomes of the study. A null hypothesis was the two companies that each construct was not significantly different between the two companies. Alternative hypothesis therefore was that the outcome were significantly different between the two companies. Looking at the P values as presented in table 6 above, it is clear that each construct has p value significant therefore a conclusion that the findings in the two companies were not different. This was tested at 95% level of confidence.

Resourcing of the marketing department

The next objectives was to assess the resourcing of the marketing department. Marketing department coordinates all activities relating to marketing and the implementation of the marketing concept. In the marketing department, resourcing both human capital and financial resources are paramount. Ogbadu and Abdullah (2013) found out the role of marketing in banking sector is significant and it is used as a competitive tool in the industry. This objective seek to assess whether companies in the service industry in Malawi have a robust marketing department to drive the market orientation. It also aimed to check if the marketing department is given enough marketing budget to drive its activities. Looking at the marketing concept, there a number of routine activities that a company need to adhere to if it is to have the necessary information for developing the marketing strategies.

The in-depth findings showed that both companies have a lower number of people in the marketing department. Each of these two companies only has three people as head count in their marketing department. With the task described in this study especially implementation of the marketing concept (figure 1.4) suggest the personnel numbers are not adequate. Kadango (2017) confirms the dilemma that most banks have lower numbers in the marketing department. This obviously put more pressure on this resource to drive a business that has to answer to the demands of being market orientated. It must be commended though that despite such a meager resource, the companies still realize the importance of being market orientated and achieved such scores as revealed in this study.

Both companies do more to strengthen the marketing department and ensure that the businesses are full equipped with marketing resources to implement the marketing concept. Comments from Marketing Heads at both companies were clear that they would do much better with more resources in head count. The Bank has innovation Managers; these are residing in a different department with dotted reporting to Marketing department. At the Insurance Company, the role of innovation being handled by Marketing Managers and the Business development Manager.

Financial resources at both companies is yet another dilemma as investment in marketing is somewhat low. It was observed in the in-depth interview that only up to 5% of the company income is invested in marketing. This suggests that the marketing department has to forgo some major marketing concept activities to manage the costs and in some cases outsource so of these activities. Major setbacks in such cases affect the research budget and advertising. Best marketing investments used by leading companies should be around 10% of the business turnover. This accords the marketing department to fulfil all its requirements to make sure the marketing concept activities are done effectively.

Implementation of the marketing concept

The next objective was to review whether the marketing concept was fully implemented in the two companies. The marketing concept is critical in the quest for market orientation. This marketing concept as defined and presented in figure 1.5 has all the tenets that when fully implemented, provide the environment that presents the organizations as ben a market orientated one. The objective was to find out if the marketing concept with its three pillars was fully practiced.

Through the in-depth interviews, it was observed that some elements of the marketing concepts are being implemented while others are short chained suggesting not fully implemented. This could be due to lack of resources both financial and employees working in marketing department. Agreeing with the findings of the objective number 2, marketing personnel numbers are low in both businesses; it transpired that such impact on human personnel affected follow-ups in most marketing concept activities.
Coming to financial resources, this was more disturbing as the budgets set forth for this mammoth task was either low or not fully comprehended by the marketing teams. This suggest that budgeting may not be bottom up or not activity based. This says a lot in business planning and this is confirmed by the difficult observed in getting the marketing expenditures for the business over the years and if it had any relation to the business turn over.

Interestingly, both companies had their marketing heads on the company executive committee (EXCO) meetings, which suggest the voice from marketing is there, but either not adhered to by the decision

**Does MKTOR and MARKOR assessment scale provide same conclusion**

The last objective for this study was to ascertain what literature has that the two measuring scales for market orientation provide similar conclusion. While in many instances, these scales have been used in isolation and some have checked their validity but with all researchers concluding that, they are both valid. The objective here it to assess if the two scales provide same conclusion if applied on the same study. This adds to the validation process already testified to in literature by many scholars.

The study concludes with results that both assessment scales reveal that the two companies are largely market oriented. This confirmed the findings from other scholars and theorists Narver and Slater (1990) and Kohli, Jaworski and Kumar (1993) who developed these two scales that all along, these scales have been used when assessing market orientation. As has been noted, and observed in literature, each of these two scale confirmed the market orientation nature of the two companies and besides that, both are in unison giving the same results, which adds to the validity of both scales.

However, this study reveals that under the same conditions, applying the same instruments, which was the case in this study, both organizations produced results that are similar in outcome. The results as discussed and observed confirmed that Narver and Slater scale of MKTOR which focus most on customer and competitor orientation externally gave a higher rating to both companies. This somehow supports those scholars who criticized the scale on the lack of intelligence information, which is critical in a market-oriented company.

On the other hand and under the similar conditions, MARKOR scale also gave consistent results on both companies only that lowly rated as regards their behaviour on market orientation. This suggests that the notion of market data that MARKOR scale preaches as being critical in market-oriented companies to know what is happening in the market might have been responsible for rating the two companies downwards at moderate market orientation.

Notwithstanding that, the two scales both MKTOR and MARKOR when compared on their outcomes in the two companies showed no differences on their conclusion according to the equality of means that were tested using the T-square test. All hypotheses on the comparison of the two company when tested showed significant results at 95% level of confidence meaning that they were no differences between the two outcomes in each of the companies as per the results. This adds to the validity of the two scales.

By way of conclusion therefore, both MKTOR and MARKOR scales when applied in the same environment provide same conclusion. Such findings are in conformity with what literature says and resonates what other scholars have come up with in various studies

**Conclusion**

In summing up, the market orientation state of the Malawi service companies show positive direction in driving the market orientation behaviour. Performance in these companies has been steady and while they are doing the best to align the business with the market orientation, a lot still should be done as pointed out in the recommendations of this study.

Competition is here to stay and companies have no choice but to display their drive to survive. This can only be done through full implementation of the marketing concept. Marketing need not take second fiddle in organizations. Where such happens, it brings many challenges to the business that affect the focus and authority of the marketing department. Innovation and or customer insights need a well coordination organization that is agile and hungry for success. The minds of those working in the
marketing department must be focused on the representing the customer in the business while at the same time being the voice of the customer.

Training of the marketing department to enhance their skills is vital as the world is always on the move as far as new knowledge continue to evolve. Technology is leading the world in all life facets and one need to be abreast with new trends of our customers. These trends demand more of the new product and service. Notably so, customers travel and experience other services elsewhere which they would wish to continue to enjoy from the companies locally.

This study opened up a lot of learning for the researcher and many more avenues can be researched to continue to product insights into market orientation. Areas of influence of different departments on market orientation, same study for the manufacturing sector and transport sector and or hospitality sector all these are new avenues that need researching.

**Study limitations**

This study has revealed that service companies in Malawi are market oriented. The findings come through from a case study methodology that combined quantitative and qualitative data collection methods. Some limitations to this study for consideration when reading the outcome of the study along with the recommendations, conclusions and direction for future studies.

A potential bias in population definition and sampling is one limitation this being a case study type of research. Only two service companies in the country were used as research as subjects thus an Insurance Company and the Bank out of all the versatile list of service companies in the country. Furthermore, only those in supervisory and managerial roles formed the sampling frame from which the sample was randomly drawn. A more inclusive sample would take in more companies and from different sectors as this only looked into the service sector of the economy. Despite this shortfall though, the strength of this study takes solace from a combined methodology of data collection that employed both quantitative and qualitative methods that saw a full-scale survey conducted within these two participating companies. With statistical analysis, the results are therefore applicable for inference. The in-depth observation adds weight to the case study methodology enhancing the findings as the researcher had a chance to confirm some of the behaviours as per literature guidelines already covered.

The next limitation has to do with actual sample size being 156 for the bank and 19 for the insurance. More could have been better. Although this sample size was adequate for a case study type of research, more companies and more sample could give more confidence in the results. This however was due to limited resources as the study was self-sponsored meaning financial resources and time were a constraint to conduct a bigger study, which would be possible if resources allowed.

Still more, another limitation comes in relating to survey administration, which was through google application and email. Thus, the questionnaires were self-administered. There is a possibility for respondents to give wrong answers, as they do not have anyone to ask where it may not be clear.

The questionnaire used a 6-point Likert scale that did not provide for middle ground. According to literature, this may pose another limitation as respondents who may have had no answer to some construct statements, ended up picking any option thereby biasing the outcome. However, as noted in the study, the research went ahead to use a 6-point Likert scale because it was necessary for members of the company in supervisory and managerial roles who have understanding of the business needed to take a position. In addition to this, the in-depth interview added more value in confirming some of the behaviours through cross checking documentation and other evidence.

The market orientation index that was developed to guide the outcome from the Likert scale used of 1 to 6 with levels of market orientation as presented in table 6.5 with very low, low, moderate, high and very high. Other studies could present these levels differently and therefore give different interpretation and conclusion. As for this study, MKTOR assessment revealed market orientation levels of 4.43 and 4.56 for Insurance and Bank while MARKOR on the other hand achieved grand mean scores of 3.89 and 3.94 for the Insurance Company and Bank respectively. On the analysis of equality of means using T-square, there was no difference between these rating although from the index scale developed arrived at moderate level of marketing orientation for MARKOR falling below the minimum mean of 4.0 as defined in the Index scale. Statistically, there is no significant difference when tested at 95% level of
confident. Regardless of this, the study conclusion reveal that empirically, both companies are market oriented.

**Recommendations**

A number of recommendations have been made to help companies achieve higher market orientation or maintain their status having come out as market oriented companies. Key to these recommendations are areas like customer visits lacking for both companies, sharing of information by sales team in the Bank, sharing of information about customers for the Bank.

Furthermore there is need to improves on polling customer survey and influential people consultation by both Insurance Company and Bank, meetings between Marketing Department and other departments and dissemination of customer satisfaction and alerting one another on competitor moves, response to the market forces, customer issues and competitive actions. Lastly, companies need to consider accommodating expression of opinion from managers as part of the contribution to the business plans.

On resource strength of the marketing department, it was found lacking and both companies need to improve by adding more resources both work force as well as financial needs (marketing budget) so that marketing activities are done to completion which would lead to a fuller implementation of the marketing concept.

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How to Improve Satisfaction of Outpatient at Hoan My Da Lat

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Abstract

This study aims to describe the level of satisfaction of patients and their families. The study is supported by a sample of 1068 patients, which is 653 outpatients with 40 questionnaires and 415 inpatients with 35 questionnaires during 26 July to 25 Aug 2016 from all of the Hoan My Da Lat Hospital fields to whom an evaluation questionnaire was given to be filled out on the day of their release. The average age is from 1-18 & 18-55, and 62% are female - 38% are male for outpatient is 48% male and female 52%. The section under the heading of:
- Expectation of patient to Hospital Service
- Medical staff’s (doctor, nurse, technician and pharmacist) attitude and treatment result.
- Standard of procedures and information approach to patient.
- Good support from customer service team, receptionist and cashier
- Clean, Facility, cost treatment and equipment support.
- Simple and waiting time.

Keywords: Patient satisfaction, outpatient, Orthopedic, O&G, Gastroenteritis, Internal Medicine, Quality.

Introduction

Vietnam is an emerging economy in Asian where is undergoing significant changes. Vietnam began its economic renovation in 1986, moving the economy from a centrally planned to a market one. Due to the socialization of healthcare, in addition to the dominant sector of public hospitals, there has been growing number of private hospitals in Vietnam over the past years. Many public hospitals, instead of paying attention to providing good services, now pay more attention to maintaining targeted revenues through various ways such as earning money from outpatients and unnecessary services.

Over the past years, the hospital system in Vietnam has been significantly improved and developed. Much investment has been put in developing healthcare infrastructure, facilities, and human resource training. However, service quality in the healthcare system in general and in the public hospitals particularly have still received much concern from the society and pressingly requires for improving patients” satisfaction. Every year, many Vietnamese patients, especially the wealthier people spend as much as US$ 4 billion on treatment abroad to Singapore, US, Australia, Japan and Thailand. These patients with better living standards seek for better service quality abroad because they do not only care about having their diseases cured, but also about how they are treated.

Economic growth and demographic changes are driving demand for healthcare services throughout Vietnam, and not just in the two economic centers of Hanoi and Ho Chi Minh City, but also in second-tier cities and provinces as well. Healthcare demand and growth in second-tier cities and provinces is helping to drive the development of the healthcare system. Public, provincial-level hospitals funded by the governments are undergoing upgrades of their facilities and opening new departments for specialty treatment. Such developments are creating new opportunities for medical devices in Vietnam. The country represents a potentially large healthcare and medical equipment market. Identified as a national development priority, the public healthcare sector has received increasing government budget allocations as well as interest from the private sector.

The Vietnamese government encourages the import of medical equipment because local production cannot meet demands. Imported medical equipment has low import duties and no quota restrictions. However, medical devices are subject to regulation and licensing requirements set by the MOH. Only companies with a legal business entity registered in Vietnam and that have an import license are
eligible to distribute medical equipment. To fulfill this requirement, foreign suppliers often sell through local distributors or agents. Good representatives should provide immediate access to an established marketing network and possess in-depth knowledge of pertinent regulations.

Methodology

Reading notes: Figure caption 1 has shown the satisfaction level of patients.

- **BASE** - achieved sample size of each respondent’s group
- **MEAN** – average score on 5 point scale with
  1 – Strongly disagree
  2 – Slightly disagree
  3 – Neither
  4 – Slightly agree
  5 – Strongly agree
- **T2B (TOP 2 BOXES)** – sum of the 2 most positive data: 5 – strongly agree & 4 - slightly agree

(*) – note of data extracted from small sample size (under 30 respondents), for reference only

Example

<table>
<thead>
<tr>
<th>Customer agreement in each factor</th>
<th>Mean</th>
<th>T2B</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Base: Total sample (n=1068)</em></td>
<td>4.9</td>
<td>100</td>
</tr>
</tbody>
</table>

Convenient facilities

Figure 1. Patient satisfaction and dis-satisfaction rate
Respondent profile – Outpatient

<table>
<thead>
<tr>
<th>Patient</th>
<th>Gender profile</th>
<th>Regional profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Register</td>
<td>52% Male</td>
<td>Specialties</td>
</tr>
<tr>
<td>Follow up</td>
<td>62% Female</td>
<td>Gastroenteritis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal Medicine</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cardiac</td>
</tr>
<tr>
<td></td>
<td></td>
<td>O&amp;G</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Orthopedic</td>
</tr>
</tbody>
</table>

Payment methodology

<table>
<thead>
<tr>
<th>Cash</th>
<th>Social Health Insurance</th>
<th>Private Health Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>41%</td>
<td>58%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Age profile

<table>
<thead>
<tr>
<th>&lt; 18</th>
<th>18-34</th>
<th>35-54</th>
<th>≥ 55</th>
</tr>
</thead>
<tbody>
<tr>
<td>7%</td>
<td>25%</td>
<td>45%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Province & City (%)

Data in percentage - Overall satisfaction
Base: Total sample (n=653)

- Lam Dong: 94%
- Ninh Thuan: 4%
- Others: 2%

Figure 2. Patient from different location
Figure 2 shows Hoan My Da Lạt has receive patients from different location and the most come from Lam Dong province which is rate occupied 94% and the remain 6% was divided to Ninh Thuan and Nha Trang provinces.

Findings

- Figure caption 3 and Table caption 1 proves that HMDL receives high satisfaction level toward outpatient service, with 99% of interviewed customers said they are very satisfied with services offered at the hospital. 80% of patient satisfied and 19% very satisfied.

![Rate of Patient satisfaction in general](image)

**Figure 3.** Rate of Patient satisfaction in general

**Table 1.** Rate of Patient satisfaction in general

<table>
<thead>
<tr>
<th>GENDER</th>
<th>AGE</th>
<th>SPECIALTY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
</tr>
<tr>
<td>Base on 653 OPD sample</td>
<td></td>
<td>249</td>
</tr>
<tr>
<td>Satisfaction in general</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

- Satisfaction factor: Figure caption has proven that patients are satisfied with services and will come back with high rate 98% and 2% of patient probably come back for revisit.
Table 2. Rate of patient satisfaction with service and decide to revisit

<table>
<thead>
<tr>
<th>GENDER</th>
<th>AGE</th>
<th>SPECIALTY</th>
<th>Data in percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>&lt;18</td>
<td>18-34</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>99</td>
<td>98</td>
</tr>
</tbody>
</table>

And Table caption 2 let us know in detail of which specialties and which ages are sure satisfied.

- **Approachable factor**: Table caption 2 has proven that HMDL has high satisfaction of customer on approaching the department but still need to improve more.
  - A1. Hospital Road map, Sign instruction are clearly and easy understanding
  - A2. Hospital campus, roads inside are clear and easy to walk.
  - A3) Helpful & enthusiastic staffs giving instruction

Table 3. Rate of patient satisfaction guidelines, direction billboard of hospital

<table>
<thead>
<tr>
<th>GENDER</th>
<th>AGE</th>
<th>SPECIALTY</th>
<th>Data in percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Female</td>
<td>&lt;18</td>
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<tr>
<td></td>
<td></td>
<td>94</td>
<td>92</td>
</tr>
</tbody>
</table>
Information factor: Table caption 3 has shown that patients are happy with clearly explain information about their health status as well as regulation and procedure during the time.

- B1. Patients’ health status and enquiries are clearly consulted
- B2. Publishing & updating drug information & treatment cost

Facility factor: Table caption 4 with no negative comment recorded for facility at HMDL

- C1. Rest room clean, safety and convenience
- C3. Hospital campus is clean & green

<table>
<thead>
<tr>
<th>Data in percentage (%)</th>
<th>GENDER</th>
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<tr>
<td>Base on 653 OPD sample</td>
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<td>&lt;18</td>
</tr>
<tr>
<td>B1. Patients' health status and enquiries are clearly consulted</td>
<td>99</td>
<td>98</td>
<td>96</td>
</tr>
<tr>
<td>B2. Publishing &amp; updating drug information &amp; treatment cost</td>
<td>97</td>
<td>96</td>
<td>89</td>
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</table>

Table 4. Rate of patient satisfaction with information of hospital
Table 5. Rate of Patient satisfaction with attitude and behaviour of doctors and nurses

<table>
<thead>
<tr>
<th>Data in percentage (%)</th>
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</tr>
<tr>
<td>Base sample</td>
<td>249</td>
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<tr>
<td>D1. Respect, Helpful &amp; enthusiastic from Doctors</td>
<td>100</td>
<td>99</td>
<td>96</td>
</tr>
<tr>
<td>D2. Health status, diagnostic result and treatment is clearly explained and give clear instruction of Medication prescription</td>
<td>100</td>
<td>98</td>
<td>96</td>
</tr>
<tr>
<td>D3. Respect, Helpful &amp; enthusiastic from Nurses</td>
<td>98</td>
<td>99</td>
<td>94</td>
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</table>

- **Attitude and behavior of Doctors and Nurses factors**: Table caption 5 has proven that excellent working manner of doctors & nurses has contributed to high satisfaction level in overall.
  - D1. Respect, Helpful & enthusiastic from Doctors
  - D2. Health status, diagnostic result and treatment is clearly explained and give clear instruction of Medication prescription
  - D3. Respect, Helpful & enthusiastic from Nurses

Table 6. Rate of Patient satisfaction with attitude and behavior of Technician, CS

<table>
<thead>
<tr>
<th>Data in percentage (%)</th>
<th>GENDER</th>
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<td></td>
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<td>&lt;18</td>
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<tr>
<td>Base on 653 OPD sample</td>
<td>249</td>
<td>404</td>
<td>47</td>
</tr>
<tr>
<td>D4. Respect, Helpful &amp; enthusiastic Technician</td>
<td>98</td>
<td>99</td>
<td>94</td>
</tr>
<tr>
<td>D7. Helpful &amp; enthusiastic CS staffs (welcome and give instruction)</td>
<td>100</td>
<td>99</td>
<td>98</td>
</tr>
<tr>
<td>D8. Respect,</td>
<td>99</td>
<td>99</td>
<td>98</td>
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</tbody>
</table>
• **Attitude and Behavior of Technician, Customer Services, Security Staff factor:** Table caption 6 has shown that within 653 patients has been asked about the attitude of support team as Technician, CS and Security staff, they all satisfied with high scores of percentages.
  - D4. Respect, Helpful & enthusiastic Technician
  - D7. Helpful & enthusiastic CS staffs (welcome and give instruction)
  - D8. Respect, Helpful & enthusiastic Security Staffs

Table 7. Patient satisfied with attitude and behaviour of cashier and receptionist

<table>
<thead>
<tr>
<th>Data in percentage (%)</th>
<th>GENDER</th>
<th>AGE</th>
<th>SPECIALTY</th>
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<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>&lt;18</td>
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<tr>
<td>Base on 653 OPD sample</td>
<td>249</td>
<td>404</td>
<td>47</td>
</tr>
<tr>
<td>D9. Cashier, receptionist… serve fast</td>
<td>99</td>
<td>99</td>
<td>98</td>
</tr>
<tr>
<td>D10. Accurate invoice information</td>
<td>99</td>
<td>99</td>
<td>100</td>
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</table>

• **Attitude and Behavior of Cashier, Receptionist factor:** Table caption 7 has shown that patients are satisfied with the cashier & receptionist of HMDL. However, cashiers should be more careful to ensure information on invoice is accurate.
  - D9. Cashier, receptionist… serve fast
  - D10. Accurate invoice information

Table 8. Rate of Patient satisfaction with treatment service

<table>
<thead>
<tr>
<th>Data in percentage (%)</th>
<th>GENDER</th>
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<td></td>
<td>Male</td>
<td>Female</td>
<td>&lt;18</td>
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<tr>
<td>Base on 653 OPD sample</td>
<td>249</td>
<td>404</td>
<td>47</td>
</tr>
<tr>
<td>E1. Good diagnostic/ treatment result</td>
<td>99</td>
<td>100</td>
<td>98</td>
</tr>
<tr>
<td>E3. Modern/clean/comfortable facilities and equipment in general</td>
<td>100</td>
<td>99</td>
<td>100</td>
</tr>
</tbody>
</table>
Hospital Treatment Services factor: Table caption 8 has proven that high satisfaction on treatment quality and trust on skillful of doctors. HMDL needs to retain this trend.

- E1. Good diagnostic/treatment result

- E3. Modern/clean/comfortable facilities and equipment in general

- E5. Trust on quality of hospital services

Pharmacy service factor: Table caption 9 has proven that the explanation of medication usage and description clearly get high scores either.

- E2. Good quality of drugs, Clear GSP

- E4. Reasonable diagnostic/treatment fee

<table>
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<td>Male</td>
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<td></td>
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<td></td>
<td>&lt;18</td>
<td>18-34</td>
<td>≥55</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Gastro</td>
<td>Internal Medicine</td>
<td>Cardiac</td>
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<tr>
<td>Base on 653 OPD sample</td>
<td>249</td>
<td>404</td>
<td>47</td>
<td>160</td>
<td>295</td>
</tr>
<tr>
<td>E2. Good quality of drugs, Clear GSP</td>
<td>94</td>
<td>94</td>
<td>89</td>
<td>95</td>
<td>94</td>
</tr>
<tr>
<td>E4. Reasonable diagnostic/treatment fee</td>
<td>100</td>
<td>98</td>
<td>94</td>
<td>100</td>
<td>99</td>
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</tbody>
</table>

Standard of Procedure factor: Table caption 10 has shown that process of registration & medicine purchase is simple and professional. HMDL should have solution to reduce waiting time for consultation and diagnostic (especially with Male, Young age group <18, who came for Gastroenteritis.

- F1. Professional registration procedure

- F2. Short waiting time for consultation

- F3. Short waiting time for having diagnostic tests

- F4. Short waiting time for having Blood tests result
Table 10. Rate of patient satisfaction with procedures of hospital

<table>
<thead>
<tr>
<th>Data in percentage (%)</th>
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<tr>
<td>Base sample</td>
<td>249</td>
<td>404</td>
<td>16</td>
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<tr>
<td>F1. Professional registration procedure</td>
<td>73</td>
<td>78</td>
<td>64</td>
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<tr>
<td>F2. Short waiting time for consultation</td>
<td>76</td>
<td>79</td>
<td>57</td>
</tr>
<tr>
<td>F3. Short waiting time for having diagnostic tests</td>
<td>73</td>
<td>79</td>
<td>72</td>
</tr>
<tr>
<td>F4. Short waiting time for having Blood tests result</td>
<td>92</td>
<td>91</td>
<td>87</td>
</tr>
<tr>
<td>F5. Simple and fast medicine purchase procedure</td>
<td>77</td>
<td>83</td>
<td>60</td>
</tr>
</tbody>
</table>

**Result**

The study is supported by a sample of 1068 patients, which is 653 with 40 questionnaires and 415 inpatients with 35 questionnaires from 26th Jul 2016 to 25th Aug 2016 in all of the Hoan My Da Lat Hospitals to whom an evaluation questionnaire was given to be filled out on the day of their release. The average age is from 18-55, and 62% are female - 38% are male for outpatient and inpatient is 48% male and female 52%

The percentage of study satisfaction of OPD with general were over 90%,. In badly patients were not very happy in registration and waiting time for consultation, procedures and having diagnostic test in gastroenteritis were 65%-67% . Other rest of physical examination by Doctor, nursing, laboratory and pharmacy services and attitude, support were range from 92%-98%, Patient were happy with Non clinical staff such as Customer service, Cashier, Registration staff, Security and Cleaner range from 96% to 100%. The rate of patient satisfaction of facility and treatment quality were very high from 96% to 99%.

**Discussion**

The findings from both our qualitative and quantitative research suggest that although there have been many complaints and much concern from the patients when coming to the public hospitals, the degree of satisfaction and the perceptions of all the three dimensions of service quality in the public hospitals seem to be at acceptable level (around the average score). This may be partly explained by our research sample of all in-door patients who may cope with some hesitance when expressing their thoughts and evaluation. Further study on this topic may be desirable to confirm the results.

In addition to the marked increase in patient feedback volume since the program’s inception, we have seen a strong relationship between media coverage or public announcements surrounding the
program and increased patient feedback and refund requests in the following weeks. This interesting and perhaps expected fact has important implications: If we can safely assume that the system and its providers do not somehow perform worse in the weeks after media coverage or announcements, then these large upticks confirm our suspicions that our unhappy patients (and surely those at other systems) are often keeping quiet.

There is also some limited evidence that certain efforts to improve patient satisfaction can actually reduce quality outcomes. More recent strong evidence (here and here) suggests that improved patient satisfaction is in fact correlated with better health outcomes and quality: increased satisfaction is associated with decreased length of hospital stay, lower readmission rates, reduced mortality, and fewer minor complications.

**Conclusion**

- In generally, Most of customers came from Da Lat City and very happy with the services offered at Hoan My Da Lat Hospital. High satisfaction scores are record at
- Medical staff’s (doctor, nurse, technician and pharmacist) working manner
- Good support from customer service team, receptionist and cashier
- Clean and comfortable facility
- Simple and fast procedure (registration, medicine purchase, discharge)
- However,
- The procedure of registration and time of waiting to have doctor consulted were still long. Especially focus at group of:
  - Male, aged < 18 years old
  - Patients come for Gastroenteritis
  - To get the blood test of patients need to improve to gain higher satisfaction

  In general average of overall satisfaction is over 95%. The section under the heading “Service care provided by the medical staffs “received the highest percentage.

  Dissatisfaction was primarily associated with factors such as the amount of time spent waiting, the medical fees.

  Almost 100% of the patients spoke about their experiences during their stay in the hospital, The older patients, having a lower level of education and living either in other cities or in the rural region of Da Lat, tented to be more satisfied than the younger patients, possessing higher levels of education and generally residing in the sub-urban or urban regions of Da Lat.

  The patients who judged their condition to be very serious and their problems bad enough to justify hospitalization, and who also felt that their health and condition had improved at the time of release compared to the time of admission were more satisfied than the other patients. Patients hospitalized who had an individual private room in a specialized hospital tended to be more satisfied that those who had a room sharing many beds for several patients in either a general hospital or in the emergency area of a specialized hospital. The authors observed no correlation between the level of satisfaction and the patient's gender. The results of this study have highlighted that certain domains, notably hat of the hospital's environment, should be reviewed and examined by health care administrators and managers in order to ensure the quality of the patient's care and coverage.

**References**


Performance based Financing as a Health System Reform: Success Story on How the Application Performance Based Measures Improve Performance Both in Quantity and Quality of Health in South West Region

Article by Ebah Essama Alain Roland
Management, Texila American University
E-mail: alainroland80@gmail.com

Abstract

Background: In order to improve the health status of its population and to find practical solutions to the main challenges of the health system, the Government of Cameroon has been implementing the Performance Based Financing approach (PBF) since 2011.

Following the pilot phase from 2011 to 2014, the project produced encouraging results as seen in the use of health facilities by the population, quality improvement and governance in health facilities. The project also enabled the actors involved to learn lessons during its implementation.

Methods: This paper is based on first hand observation carried out by the researcher alongside the ground implementers of the PBF system in the health sector (CDVA South West Region). The group developed some criteria to stimulate improvement in health care, by ensuring payment for greater performance. The group also developed main criteria to measure the improvement in performance which can be translated in monetary terms, coaching was regularly carried out to provide solutions to problems. These activities were carried out between 2011 and 2014 in four health districts of the South West Region of Cameroon.

Results: The paper starts with a discussion, to clarify the core concept of PBF and how the different terms are used. It then develops a framework of on the development of implementation, evaluation, monitoring, coaching and the final results.

Conclusion: The paper brings out a picture of the importance of the PBF system of health financing in the South West Region of Cameroon, showing the pictures of change and the changes in the quality and quantity of health care delivery by health facilities.

Keywords: Performance Based Financing, Monitoring and Evaluation.

Background

Challenges of the health system in cameroon

Cameroon aims to become an emerging economy by 2035 and will have to promote access to quality health services by all the populations with specific emphasis on the poorest. Cameroon is also committed to UHC and the 2015-2030 Sustainable Development Goals. The current challenges of the system are:

Low impact indicators: Since 1990, life expectancy of Cameroonians has decreased by about two years, whereas it has increased by an average of five years in the rest of sub-Saharan Africa. Cameroon is also one of the countries in the world where the under-five mortality rate (122 deaths per 1,000 live births) has decreased the least. According to the 2011 Demographic and Health Survey in Cameroon, maternal mortality rate is 782 deaths per 100,000 live births. These statistics are indeed alarming, and even "unacceptable" to quote the Minister of Public Health, Mr. ANDRE MAMA FOUDA.

Geographical disparities: 40% of medical doctors in the country work in the Centre Region (which includes Yaoundé, the capital) where only 18% of the population lives. Whereas, the Far North, which also accounts for 18% of the country's population, has only 8% of medical doctors.

Inefficiency of the system: Paradoxically, Cameroon spends more money on health than other countries in sub-Saharan Africa, that is, $ 61 per capita compared to an average of $ 51. More to that it is, Cameroonian themselves who pay (out-of pocket) the greater part. Of the $ 61, the Government only finances $ 20, of which $ 8 comes from donors (2014 WHO health accounts). Despite this level of expenditure, the results are not commensurate. The distribution of the State budget is directed largely towards the central level and major public hospitals.
Poor universal health coverage: Another problem is access to care by the poor and the vulnerable, which generally is estimated at 5-10% of the population. In addition, the number of refugees and displaced persons is increasing because of events in neighboring countries. This affects the health system, particularly in the Northern and Eastern Regions.

Morbidity is still a cause for concern: Infectious diseases (cholera) persist due to hygiene and sanitation problems. HIV remains a major health issue. Non-communicable diseases are on the increase and require special attention. Malnutrition also poses specific problems in some regions.

Poor technical plateau: Baseline studies have also shown poor technical platforms of health facilities in terms of equipment, drugs, medical consumables and infrastructure. The review scores of professional quality are about 20-30% of the standard. This is also due to the low availability of human resources in quantity and quality and the unequal distribution of those available. Several health facilities in rural districts in Cameroon have no qualified personnel.

Fragmented and weak health information system: Poor collection and management of health data was observed. Data from public health facilities are unreliable and those from private health facilities are almost absent. Synthesis and analysis of all these data at the national level are not done, leading to decisions based on false or incomplete information.

Moreover, the request for data from HF by the various programmes and departments of the Ministry of Health or by donors is not well coordinated. Consequently, one can sometimes observe up to 2040 monthly activities reports that the HF must complete every month. This overloads the HF personnel, who, faced with these excessive requirements will simply choose which forms to complete; Sometimes the forms are not understood by the personnel and are therefore wrongly filled in; Health personnel are not motivated to collect good quality data as they do not see the importance of these data; When there is no feedback on the data collected, it will even be more demotivating for the health personnel who generate and compile these data; Managers can deliberately under-report data to avoid taxes. Hence, the income is not simply presented in the reports and stays in the informal activities.

The geographical distribution of districts and health areas is not updated. As a result, the populations and geographical areas covered by first category hospitals and others ranking as such are not known or well-defined. The same applies to central and general hospitals.

Functioning of the health pyramid: There is a weak technical connection between the central departments of the Ministry of Public Health, regional delegations and health facilities. This leads to problems of technical supervision and monitoring of norms and standards of services in HF, pharmacovigilance and quality assurance of drugs in HF and pharmacies. The regular practice is that actors do not master their roles and activities to be carried out.

**Strategic options for PBF implementation in Cameroon**

Performance-Based Financing is an approach that not only enables to improve the allocation mechanisms of resources that are scarce and strategic contracting, but also and above all, to make the necessary reforms for the development of the health sector. Several countries are implementing PBF today and some have made it their national health policy with extraordinary results. The inefficacy and inefficiency of a long input-based and process-based approach prevented many low- and middle-income countries and their multiple partners from taking advantage of considerable resources spent during these years. This paradigm shift that focuses more on results has courageously been undertaken by several countries and several organizations that seek to derive greater benefits from allocated resources.

**PBF pilot phase in Cameroon**

The country experimented Performance-Based Financing (PBF) in 2006 in the East Region by the Catholic Church with the support of the international NGO Cordaid. In 2011, Cameroon started PBF in 26 health districts in 4 regions of the country (Littoral, East, North-West and South-West) thanks to financing of US $ 25 million from the World Bank. With the good results of this project, the Government financed the PBF to the tune of FCFA 670 million in the Littoral region in 2014. Additional funding of US $ 20 million from IDA funds, and a trust fund of 20 million US dollars from the Health Results Innovation Trust Fund (HRITF) was mobilized in 2014 to: (i) continue PBF in the Northwest, South-West, East and Littoral regions; and (ii) extend the project to the northern regions of Cameroon, where social and health indicators are the most alarming and the populations significantly poorer.

The World Bank’s Board of Governors approved additional funding on June 24, 2014. There were no conditions for implementation. The project closing date was extended from 31 March 2014 to 31
December 2017. The World Bank declared the new funding (IDA credit of US $ 20 million) effective from 4 November 2014 and declared the 20 million US dollars Trust fund effective from 18 November 2014. In July 2015, Cameroon was selected as the recipient of the Global Financing Facility (GFF) in support of Each Woman, Each Child and must mobilize additional funds through a new World Bank operation and co-financing from the Government and partners, to extend the PBF progressively throughout the country by 2020.

In addition, other technical and financial partners such as UNFPA and UNICEF signed protocols for collaboration with the Ministry of Public Health since September 2015. WHO and the Global Fund expressed their willingness to contribute to the implementation of the PBF in Cameroon.

**Figure 1.** PBF conceptual framework

**The impact of PBF in the various health services and health areas**

Before, there was only one building for the CMA (Sub Divisional Medical Health Center). This made activities very difficult because the wards were very small and not many to accommodate the population using this health facility. Men and women sleep in the same ward together with children.

**Figure 2.** CMA with one ward

This picture shows the health center at the state were there was only one ward. This was a difficult situation for patients as women, men and children were forced to use the same ward.
Due to the construction of this new building, the maternity has moved to the new site providing much space for the old building for hospitalization and other activities.

From Fig 3 it is clear that, PBF has been instrumental to the construction of the new building providing the initiative and necessary finances to achieve the results. This health facility had the capacity to provide better health care to the population but just needed innovation and finances to achieve high levels.

The district hospital Kumba have suffered much for long due to the absence of a private ward which made many personalities not accept to go through admission. But with the advent of PBF project in the south west region and subsequent coaching held in this Health facility, they are now proud of having VIP wards which has led to the high demand of private wards as seen above.

**Creation of three new offices for outpatient screening and orientation at the district hospital kumba**

As can be seen in Fig 6 below, there are three new rooms for screening with new chairs and tables for the patients which provide more comfort and information of the patients are confidential.

There is a waiting hall for the patients which is more comfortable, they no longer sit along the corridors.
The Out Patient Department (OPD) situation at the District Hospital Kumba (DHK) look like this before the implementation of PBF, which posed a problem in terms of delivery of health care and comfort of the patients.

The implementation of the PBF in the South West Region has provided an opportunity for improvement, providing comfort, privacy and quality health care.

**Impact of pbf in limbe health district**
Pre PBF situation

Outpatient services: poorly organized, poor reception, orientation & waiting conditions, improper triage system, no confidentiality, unclear user charger. Inpatient services: poor hygienic conditions, insecurity, poor patient follow up, parallel sales/malpractice.

Specialized services: financially inaccessible, poorly organized, under equipped and poorly maintained working equipment.

Administration and Finance: Poor human resource management, irregular technical meetings, subjective system of staff evaluation, personnel demotivation/absenteeism

After the implementation of PBF there has been considerable changes in the various areas listed above as can be seen in Fig 7.

Conclusion

The implementation of the PBF method of financing in the South West Region of Cameroon has been of great importance. The remarkable improvements noticed in the health areas and health facilities has been impressive. This method of financing has promoted competition among health facilities thus provision of quality and quantity health care to ensure retention of patients. The reward provide by PBF has thus lead to construction of facilities to aid the provision of health care. This article looked at the impact of the PBF method of financing, and found out that much improvement has been recorded. Of course much work needs to be done to reach to health facilities which are in hard to reach areas, and extend the implementation of the PBF financing strategy to the other health districts in the South West given the fact that there are 18 health districts. This scale up would also need to be done in the entire country and also which will greatly improve quality and quantity of health care. The funds used for the PBF project comes from donors (essentially World Bank), this therefore possess the question can the Cameroon government continue this project without support and if not what happens then?

Acknowledgement

I would like to gratefully acknowledge the assistance from the PFB branch office in South West and the Regional Delegation of Public Health from the South West Region.

References


