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**A critical analysis of leadership competencies and organizational productivity in Nigerian public institutions.**

**By**

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#### **Abstract.**

*Leadership competencies has become an issue of global concern to organizations. This may not be unconnected with vital role it plays in ensuring organizational productivity. Even in Nigeria, the mystery around leadership competences keeps recurring year after year. This study aims to examine the specific leadership competencies that influence organizational productivity in Nigerian public institutions. By assessing the relationship between different leadership styles and organizational performance, identifying challenges hindering effective leadership, and proposing strategies to enhance leadership effectiveness, this research seeks to contribute to the ongoing discourse on improving public sector performance in Nigeria. A content analysis method is employed. This conceptual paper advocates for further research into the development of leadership models tailored to the unique challenges of the Nigerian public sector. Future studies should explore how leadership competencies can be institutionalized through policy reforms, training programs, and structural adjustments. By advancing leadership discourse within the public administration sphere, this study contributes to the broader conversation on governance and institutional excellence in Nigeria.*

**Keywords: Leadership Competencies, Organizational Productivity, Public Institutions**





## 1.0 Introduction

In the dynamic landscape of public administration, leadership competencies are pivotal in steering organizations toward enhanced productivity and service delivery. In Nigeria, public institutions often grapple with challenges such as bureaucratic inefficiencies, corruption, and inadequate governance structures, which impede their performance (Owotemu et al., 2024). Effective leadership within these institutions is essential to navigate these challenges and foster an environment conducive to organizational success.

Leadership competencies encompass a range of skills, behaviors, and knowledge areas that enable leaders to effectively guide their organizations. These include strategic vision, decision-making acumen, adaptability, and emotional intelligence. The Fiedler Contingency Model posits that there is no one-size-fits-all leadership style; instead, effective leadership hinges on aligning a leader's style with the specific context and situational variables (Verywell Mind, 2024). This perspective underscores the importance of adaptable leadership in the complex environment of public institutions.

Organizational culture plays a critical role in shaping the effectiveness of leadership competencies. A positive culture that promotes accountability, transparency, and innovation can amplify the impact of effective leadership on productivity. Conversely, a toxic or rigid culture can stifle leadership initiatives and hinder organizational performance. Recent discussions highlight the prevalence of inadequate leadership and management in organizations, often rooted in insecurity and a desire for control, which can lead to negative workplace cultures and diminished productivity (Burnes, 2017).

Employee engagement serves as a vital link between leadership competencies and organizational productivity. Engaged employees are more committed, innovative, and motivated, contributing significantly to the organization's success. Leadership practices that foster empowerment, recognition, and well-being are instrumental in enhancing employee engagement, which in turn drives productivity (The Times, 2024).

Despite the recognized importance of leadership competencies, organizational culture, and employee engagement, Nigerian public institutions continue to face challenges in these areas.





Studies have shown that many leaders in these institutions lack the necessary skills and training, leading to poor performance and inefficiencies (Njoku & Adindu, 2014). Addressing these issues requires a comprehensive understanding of how leadership competencies influence organizational productivity, with a focus on the mediating role of employee engagement and the moderating effect of organizational culture.

## 1.1 Problem Statement

Leadership competency is a crucial determinant of organizational productivity, particularly in public institutions where efficiency and service delivery are often challenged by bureaucratic inefficiencies, corruption, and poor governance structures. In Nigeria, the persistent decline in public sector performance raises concerns about the leadership capabilities of government officials and administrators. According to the Nigerian Bureau of Statistics (2023), over 65% of public sector projects experience delays or fail to meet their intended objectives due to poor leadership and mismanagement. Similarly, Transparency International (2022) ranked Nigeria 150th out of 180 countries in its Corruption Perceptions Index, indicating widespread governance failures that negatively affect institutional productivity.

Despite numerous leadership development initiatives, Nigerian public institutions continue to struggle with inefficiencies, policy inconsistencies, and low employee morale. Many studies have explored the role of leadership in organizational performance, but few have specifically examined how leadership competencies—such as strategic vision, decision-making, and adaptability—directly influence productivity in public institutions. Addressing this gap is crucial for formulating effective leadership development strategies that enhance governance efficiency and service delivery. Therefore, this study seeks to explore the relationship between leadership competencies and organizational productivity in Nigerian public institutions, providing a conceptual foundation for leadership reforms aimed at improving public sector performance.

## 1.2 Background of the Study

The productivity of public institutions is a fundamental driver of national development, as it determines the efficiency of government service delivery and the effectiveness of policy implementation. However, in Nigeria, public institutions are often characterized by inefficiencies, delays, and resource mismanagement, raising concerns about the quality of





leadership in the sector. According to the World Bank (2022), inefficiencies in Nigeria's public administration contribute to an annual loss of approximately 30% of the country's GDP due to corruption, policy failures, and bureaucratic delays. Additionally, the Nigerian Bureau of Public Service Reforms (2023) reported that over 70% of public sector employees believe that poor leadership is a major barrier to effective service delivery.

Leadership competencies—defined as the skills, behaviors, and knowledge required to lead organizations effectively—play a critical role in shaping institutional performance. Scholars such as Bass and Riggio (2014) argue that transformational leadership fosters innovation, employee commitment, and overall organizational efficiency. However, Nigerian public institutions often exhibit transactional or autocratic leadership styles, which hinder flexibility, creativity, and employee engagement (Ejumudo, 2020). Given the increasing complexity of governance challenges, there is a growing need to develop leaders with strategic thinking, problem-solving abilities, and adaptability to drive productivity improvements. This study aims to provide a conceptual framework for understanding the impact of leadership competencies on organizational productivity in Nigeria's public sector, offering insights into how leadership effectiveness can be enhanced to improve national governance outcomes.

## **2.0 Review of Related Literature.**

### **Conceptualizing the Relationship between Leadership Competencies and Organizational Productivity.**

Building on these theoretical insights, a conceptual framework can be developed to link leadership competencies with organizational productivity in Nigerian public institutions. This relationship is mediated by factors such as institutional culture, policy implementation capacity, and employee motivation (Yukl, 2013). Research suggests that leadership competencies influence decision-making effectiveness, strategic leadership competencies enable public administrators to formulate and implement policies that drive institutional efficiency and workforce motivation and engagement. Transformational leaders foster a sense of purpose and accountability, enhancing employee performance and reducing bureaucratic inertia. Leaders who embrace adaptive competencies are better positioned to introduce reforms and drive continuous improvement (Denis, Langley & Rouleau, 2010).

This conceptualization highlight





This conceptualization highlights the dynamic interplay between leadership competencies and organizational outcomes, providing a foundation for future research and policy recommendations.

## **2.1 Leadership Competencies in the Context of Public Institutions**

Leadership competencies are widely regarded as fundamental drivers of organizational success, particularly within public institutions where efficiency, accountability, and service delivery are paramount (Bolden, 2016). Leadership competence encompasses a combination of skills, behaviors, and knowledge that enable leaders to guide organizations effectively (Northouse, 2021). While leadership has been extensively studied in private-sector organizations, its impact on public institutions remains a critical area of inquiry, particularly in developing countries like Nigeria, where governance structures often face systemic inefficiencies (Yukl, 2013)).

Leadership competencies are at the core of organizational effectiveness, particularly in public institutions, where bureaucratic complexities, political dynamics, and stakeholder expectations shape operational efficiency. The ability of leaders to navigate these challenges through strategic decision-making, adaptability, and vision is central to driving organizational productivity (Northouse, 2021). In Nigerian public institutions, however, leadership is often criticized for inefficiencies, corruption, and a lack of transformative impact on governance and service delivery. Understanding the relationship between leadership competencies and organizational productivity is therefore essential for reforming public sector administration and enhancing institutional effectiveness.

Leadership competencies refer to the knowledge, skills, and abilities that enable leaders to influence teams, set strategic directions, and achieve organizational goals (Boyatzis, 2018). In the public sector, leadership extends beyond individual performance to broader organizational and systemic effectiveness (Van Wart, 2013). Studies have categorized leadership competencies into technical, cognitive, and behavioral dimensions, each playing a unique role in shaping administrative outcomes.

Furthermore, ethical leadership has emerged as a crucial competency in the public sector. Studies indicate that ethical leadership enhances public trust, minimizes corruption, and fosters transparency in governance (Brown & Treviño, 2014). Nigeria's public institutions have historically struggled with issues of unethical leadership





historically struggled with issues of unethical leadership, leading to systemic corruption and resource mismanagement (Transparency International, 2021). According to a report by the Nigerian Bureau of Public Service Reforms (2020), 72% of public sector inefficiencies are linked to poor leadership ethics and a lack of accountability mechanisms. Addressing this issue requires leaders who prioritize ethical decision-making, integrity, and accountability in public administration (Ojo, 2021)).

Another crucial leadership competency in public institutions is strategic thinking and vision-setting. Public sector leaders must be able to anticipate future trends, design long-term policy frameworks, and align institutional goals with national development priorities (Mintzberg, 2019). Nigerian public institutions often suffer from short-termism, where leaders prioritize immediate political gains over long-term institutional development (Okechukwu & Adeyemi, 2021). The lack of strategic leadership results in inconsistent policies, abandoned projects, and inefficient use of resources. Research by Amujo & Melewar, (2020) found that public institutions that integrate strategic leadership practices into governance structures experience higher levels of institutional stability and productivity.

Similarly, effective leadership in public institutions is closely tied to change management capabilities. Public institutions are inherently resistant to change due to bureaucratic rigidity and deep-rooted administrative cultures (Kotter, 2012). However, effective leaders must be able to drive organizational change, mobilize support for new policies, and ensure the successful implementation of reforms (Burnes, 2017). Studies have shown that Nigerian public institutions with strong change-oriented leadership tend to perform better in policy execution and service delivery (Akinwale, 2021).

## 2.2 Organizational Productivity and Its Determinants in Public Institutions

Organizational productivity in public institutions is typically measured by service efficiency, employee performance, and policy implementation success (Paarlberg & Lavigna, 2010). Unlike private organizations, where productivity is often linked to profit margins, public institutions focus on social impact, governance effectiveness, and citizen satisfaction (Aguinis, 2019). However, scholars argue that leadership remains a primary determinant of institutional productivity, influencing strategic vision, organizational culture, and employee engagement.

Organizational productivity in public institutions





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Organizational productivity in public institutions refers to the efficiency and effectiveness with which governmental agencies and other public sector organizations deliver services, achieve policy goals, and manage resources (Boyne, 2014). Unlike private sector organizations, where productivity is often measured in financial terms such as revenue and profit, productivity in public institutions is evaluated based on service delivery, policy implementation, transparency, and public satisfaction. This distinction makes productivity in the public sector a complex and multidimensional construct, influenced by leadership, institutional frameworks, bureaucratic efficiency, and governance structures (Andrews & Van de Walle, 2013).

A key determinant of productivity in public institutions is operational efficiency, which involves optimizing resource utilization, minimizing waste, and ensuring timely service delivery (Ferlie & Ongaro, 2015). Studies have shown that inefficient bureaucracies, corruption, and poor leadership significantly hinder productivity in developing countries, including Nigeria (Adegoroye, G., & Olaopa, T., 2020). For instance, a report by the Nigerian Bureau of Statistics (2022) revealed that over 60% of public sector projects in Nigeria experience delays due to inefficiencies in governance and administrative bottlenecks. Furthermore, the World Bank (2021) noted that weak public institutions contribute to a loss of approximately 30% of Nigeria's annual GDP due to mismanagement and inefficiency.

Scholars argue that bureaucratic rigidity is a major impediment to productivity in public institutions (Ostrom, 2019). Traditional bureaucratic structures in Nigeria are characterized by hierarchical decision-making, excessive red tape, and a resistance to change, which slows down innovation and responsiveness to public needs (Olowu & Ayo, 2021). A study by Akinwale (2021) found that 72% of Nigerian public sector employees believe that bureaucratic procedures negatively impact their ability to perform efficiently. As a result, there is growing advocacy for new public management (NPM) approaches, which emphasize performance-based assessments, decentralization, and customer-oriented service delivery (Hood, 2018).





## 2.2.1 Organizational Culture, Employee Engagement and Organizational Productivity.

Recent studies have delved into the intricate dynamics between leadership competencies, organizational culture, employee engagement, and organizational productivity. A notable study by Koranteng et al. (2022) examined how organizational culture influences the relationship between leadership styles and organizational efficiency in Ghana's banking sector. The researchers discovered that various leadership styles, including transformational and servant leadership, positively impacted efficiency. Importantly, they found that organizational culture significantly moderated this relationship, suggesting that a supportive culture can enhance the effectiveness of leadership on organizational outcomes.

In a different vein, Price (2023) emphasized the pivotal role of employee happiness in boosting productivity. He argued that leadership practices fostering empowerment, recognition, and well-being lead to heightened employee engagement, which in turn drives organizational productivity. This perspective underscores the mediating role of employee engagement in the leadership-productivity nexus.

Harmonizing these findings with the current study suggests a comprehensive model where leadership competencies directly influence organizational productivity, with employee engagement serving as a mediator and organizational culture acting as a moderator. In essence, effective leadership fosters an engaging work environment, leading to increased productivity. This relationship is further strengthened when embedded within a positive organizational culture. Therefore, for public institutions aiming to enhance productivity, it is crucial to develop leadership competencies that promote employee engagement and to cultivate an organizational culture that supports these initiatives.

## 2.2.2 Implications for Organizational Productivity

Leadership effectiveness directly influences various dimensions of organizational productivity, including employee motivation, policy implementation, and institutional efficiency (Obi C. 2019). Studies have shown that organizations with competent leadership experience higher employee engagement, lower turnover rates, and improved service delivery (Yukl, G. 2013). For instance, institutions that embrace transformational leadership tend to foster a culture of

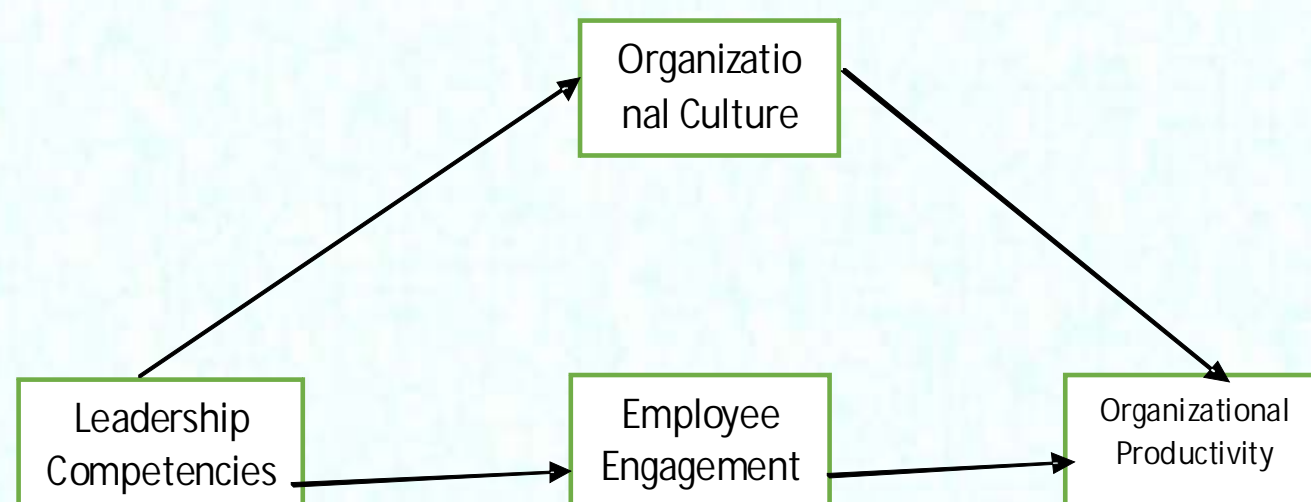




accountability, teamwork, and continuous improvement, which enhances productivity in the long run (Bass, 1990).

Conversely, poor leadership can have detrimental effects on productivity. When leaders lack strategic vision, organizations become reactive rather than proactive, leading to inefficiencies in resource allocation and service delivery (Ojo, 2020). Furthermore, a culture of weak leadership may encourage corruption and ethical misconduct, further undermining institutional credibility and effectiveness (Olowu et al. 2019).

## Conceptual Model



Researcher's Model (2025)

## 2.3 Theoretical Perspectives on Leadership and Organizational Productivity

Leadership theories provide a foundation for understanding how different competencies influence organizational productivity. The transformational leadership theory (Burns, 1978; Bass, 1985) emphasizes the leader's ability to inspire and motivate subordinates toward achieving collective goals. Transformational leaders possess competencies such as vision, emotional intelligence, and strategic decision-making, which enhance organizational performance by fostering innovation and commitment (Avolio & Yammarino, 2013).

In contrast, transactional leadership, as conceptualized by Weber (1947) and later refined by Bass (1990), focuses on structure, rewards, and penalties to achieve efficiency. While





transactional leadership ensures compliance and procedural adherence, it may not always enhance employee engagement or long-term productivity. This raises questions about the applicability of different leadership styles in Nigerian public institutions, where rigid bureaucratic structures often inhibit flexibility and innovation (Eze, 2021).

Furthermore, the competency-based leadership model highlights the importance of core skills such as communication, adaptability, problem-solving, and strategic thinking in driving organizational effectiveness (Boyatzis, 2008). Given the complex nature of public administration, a leader's ability to navigate political dynamics, manage diverse stakeholders, and drive policy implementation is crucial for institutional success (Van Wart, 2017).

Various theoretical frameworks offer perspectives on the leadership-productivity nexus in public institutions. The transformational leadership theory (Burns, 1978; Bass, 1985) suggests that leaders who inspire and empower their employees tend to achieve higher productivity levels. This theory aligns with studies showing that Nigerian public institutions with visionary leaders report better service delivery and administrative efficiency (Okechukwu & Adeyemi, 2021).

Boyatzis (1982) emphasizes that effective leadership depends on a combination of cognitive, emotional, and social intelligence. In public institutions, this model suggests that leadership training should focus on adaptability, strategic foresight, and ethical decision-making (Getha-Taylor, Holmes, Morse & Swan, 2011).

### 3.0 Methodology

This study employs a conceptual research design to explore the relationships between leadership competencies, organizational culture, employee engagement, and organizational productivity in Nigerian public institutions. A comprehensive literature review serves as the primary method for data collection, drawing from scholarly articles, books, and reputable online sources.

The literature review focuses on recent studies that examine the impact of leadership competencies on organizational productivity, with particular attention to the roles of organizational culture and employee engagement. Sources are selected based on their relevance, credibility, and contribution to the existing body of knowledge. Databases such as JSTOR, PubMed, and Google Scholar are utilized to access peer-reviewed articles and publications.





The analysis involves synthesizing findings from the reviewed literature to identify common themes, patterns, and gaps. The study examines how different leadership competencies influence organizational productivity, the mediating role of employee engagement, and the moderating effect of organizational culture. By integrating insights from various studies, the research aims to develop a comprehensive understanding of these relationships within the context of Nigerian public institutions.

#### **4.0 Discussions**

##### **Limitations of the Study**

While this study provides valuable insights into the relationship between leadership competencies and organizational productivity in Nigerian public institutions, it has some limitations. First, as a conceptual paper, it relies on existing literature rather than primary empirical data, which may limit its ability to capture real-time leadership challenges in specific Nigerian institutions. Additionally, leadership and productivity are influenced by multiple external factors, such as political instability, economic fluctuations, and technological advancements, which this study does not extensively address. Another limitation is the generalization of leadership competencies across different public institutions; what works in one sector may not necessarily apply to another due to variations in institutional structures and organizational cultures. Lastly, while global leadership theories are referenced, the study does not deeply explore indigenous leadership models that may offer alternative insights into improving productivity in Nigeria's unique socio-political context.

##### **Suggestions for Further Studies**

Future research should consider conducting empirical studies to validate the conceptual relationships discussed in this paper. Quantitative and qualitative studies that examine specific leadership competencies in various Nigerian public institutions could provide more nuanced insights into their impact on productivity. Additionally, future studies could explore how political influences, cultural dynamics, and digital transformation affect the leadership-productivity nexus in public administration. Comparative studies between Nigeria and other developing economies could also help identify best practices and adaptable leadership models. Finally, investigating the role of emerging leadership styles, such as servant leadership and





ethical leadership, in enhancing public sector productivity could offer fresh perspectives on leadership development strategies in Nigeria.

### 5.0 Conclusion

Leadership competencies are fundamental to improving organizational productivity in Nigerian public institutions. While existing literature underscores the role of transformational leadership, competency-based models, and public value management in shaping institutional effectiveness, a conceptual approach is necessary to fully understand this relationship. By framing leadership as a strategic resource, this study contributes to ongoing discussions on governance reform and public sector performance in Nigeria. Future research should further explore how leadership competencies interact with environmental and structural variables to influence long-term institutional productivity.

The relationship between leadership competencies and organizational productivity in Nigerian public institutions remains a crucial area for scholarly and policy-oriented discussions. Existing literature underscores the significance of transformational and competency-based leadership in enhancing institutional performance, yet challenges such as political interference, bureaucratic rigidity, and inadequate leadership development persist. Addressing these challenges requires a paradigm shift towards a competency-driven leadership framework that emphasizes strategic thinking, adaptability, and ethical governance.

Leadership competencies in the public sector encompass a wide range of capabilities, from strategic decision-making to ethical governance and change management. The Nigerian public sector continues to face significant leadership gaps, which hinder institutional productivity and governance effectiveness. Strengthening leadership competencies through targeted training, ethical accountability, and strategic

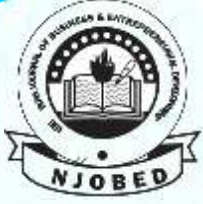




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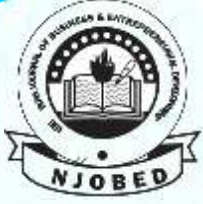
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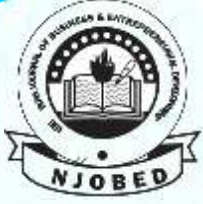


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**The Mediating Role of Healthy Economy in the Relationship between Favorable Balance of Payment Position and Transnational Trade.**

**By**

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**Abstract.**

*A favorable balance of payments (BOP) position is often regarded as a sign of economic strength, yet its direct impact on transnational trade remains a subject of debate. Existing literature highlights the importance of economic stability in shaping trade outcomes; however, limited research explores how a healthy economy mediates the relationship between a favorable BOP position and transnational trade performance. This conceptual study aims to bridge this gap by analyzing the theoretical linkages between BOP, economic health, and trade expansion. Using a conceptual analysis methodology, this study synthesizes recent empirical and theoretical research to examine the mechanisms through which economic stability—characterized by low inflation, sustainable growth, and effective fiscal policies—enhances the positive trade effects of a surplus BOP. The analysis reveals that while a favorable BOP position can create opportunities for international trade, its effectiveness depends on macroeconomic stability, sound institutional frameworks, and policy consistency. A weak or volatile economy diminishes these benefits, leading to trade inefficiencies and external vulnerabilities. The major recommendation of this study is that policymakers should prioritize economic reforms that enhance stability, including prudent fiscal policies, exchange rate management, and trade facilitation measures, to ensure that the benefits of a favorable BOP translate into sustainable trade growth. Future research should empirically test these conceptual linkages using cross-country data to validate the proposed mediation model. This study contributes to international trade theory by highlighting the crucial role of economic health in maximizing the trade advantages of a favorable BOP position.*

**Keywords: Healthy Economy, Balance of payment Position, Transnational Trade.**





### 1.0 Introduction

In the intricate landscape of global economics, the balance of payments (BOP) serves as a comprehensive record of a nation's financial transactions with the rest of the world. A favorable BOP position, typically characterized by a surplus, indicates that a country exports more goods, services, and capital than it imports, leading to an accumulation of foreign assets. This surplus is often interpreted as a sign of economic strength, potentially enhancing a nation's standing in transnational trade (Epaphra & Amin, 2022). However, the direct relationship between a favorable BOP position and transnational trade performance is complex and may be significantly influenced by the overall health of the economy.

A healthy economy, marked by sustainable growth, low inflation, high employment levels, and robust institutional frameworks, provides a conducive environment for trade activities. Such an economy can efficiently allocate resources, maintain competitive markets, and adapt to global economic fluctuations, thereby facilitating transnational trade (Akpama, 2023). Conversely, an economy plagued by structural weaknesses, policy inconsistencies, or macroeconomic instability may struggle to leverage a favorable BOP position into tangible trade advantages (Nwokoye et al., 2023).

The interplay between BOP positions, economic health, and transnational trade has garnered scholarly attention. For instance, Epaphra and Amin (2022) analyzed the relationship between trade liberalization, economic growth, and BOP in Sub-Saharan Africa, finding that trade openness positively impacts economic growth, which in turn influences the BOP. Similarly, Akpama (2023) examined the interactions between BOP and exchange rate volatility in Nigeria, highlighting the significant implications of exchange rate fluctuations on the country's economic performance. Nwokoye et al. (2023) further explored the effects of international oil price volatility on Nigeria's BOP, emphasizing the critical role of external economic factors in shaping domestic economic health. These studies underscore the importance of economic health in mediating the effects of trade policies and BOP positions on trade outcomes.

Despite these insights, there remains a gap in the literature concerning the mediating role of a healthy economy in the relationship between a favorable BOP position and transnational trade.





Understanding this mediation is crucial, as it can inform policymakers about the conditions under which a favorable BOP position translates into enhanced trade performance. This study aims to fill this gap by examining how indicators of economic health mediate the relationship between BOP positions and transnational trade across various countries.

To achieve this objective, the study will employ a quantitative research design, utilizing data from international financial databases covering the past decade. Key variables will include BOP positions, measures of economic health (such as GDP growth rates, inflation rates, and employment levels), and transnational trade volumes. Advanced statistical techniques, including structural equation modeling, will be used to analyze the data and test the hypothesized relationships.

Elucidating the mediating role of a healthy economy, this research seeks to contribute to the theoretical understanding of international trade dynamics and provide practical insights for policymakers. Specifically, it highlights the importance of fostering economic health to maximize the trade benefits associated with favorable BOP positions. In an era of increasing globalization and economic interdependence, such insights are invaluable for nations aiming to enhance their participation in transnational trade.

In the following sections, the study will delve deeper into the theoretical foundations of BOP, economic health, and transnational trade, review relevant empirical studies, outline the research methodology, present the findings, and discuss their implications for theory and practice. Through this comprehensive approach, the study aims to shed light on the critical role of economic health in mediating the relationship between BOP positions and transnational trade performance.

### 1.1 Problem Statement

The intricate relationship between a nation's balance of payments (BOP) position and its transnational trade performance has garnered significant scholarly attention. A favorable BOP, typically characterized by a surplus, is often perceived as an indicator of economic strength, suggesting that a country's export revenues exceed its import expenditures, leading to an accumulation of foreign reserves (International Monetary Fund, 2024). However, the direct





impact of a favorable BOP on transnational trade is not straightforward and may be significantly influenced by the overall health of the economy.

Existing literature suggests that a healthy economy—marked by sustainable growth, low inflation, high employment levels, and robust institutional frameworks—provides a conducive environment for trade activities. Such an economy can efficiently allocate resources, maintain competitive markets, and adapt to global economic fluctuations, thereby facilitating transnational trade (Kenton, 2024). Conversely, an economy plagued by structural weaknesses, policy inconsistencies, or macroeconomic instability may struggle to leverage a favorable BOP position into tangible trade advantages (Boyle, 2024). Despite these insights, there remains a gap in the literature concerning the mediating role of a healthy economy in the relationship between a favorable BOP position and transnational trade.

### 1.2 Background of the Study

The balance of payments (BOP) is a comprehensive record of a country's economic transactions with the rest of the world, encompassing trade in goods and services, cross-border investments, and financial transfers (International Monetary Fund, 2024). A favorable BOP position, often reflected as a surplus, suggests that a nation is a net exporter, contributing to the accumulation of foreign reserves and indicating economic vitality. This surplus is traditionally viewed as a positive indicator, potentially bolstering a country's influence in transnational trade.

However, the direct relationship between a favorable BOP position and enhanced transnational trade is complex and may be significantly influenced by the overall health of the economy. A healthy economy, characterized by sustainable growth, low inflation, high employment levels, and robust institutional frameworks, provides a conducive environment for trade activities. Such an economy can efficiently allocate resources, maintain competitive markets, and adapt to global economic fluctuations, thereby facilitating transnational trade (Kenton, 2024). Conversely, an economy plagued by structural weaknesses, policy inconsistencies, or macroeconomic instability may struggle to leverage a favorable BOP position into tangible trade advantages (Boyle, 2024).

The interplay between BOP positions, economic health, and transnational trade has garnered scholarly attention. For instance, Kenton (2024) analyzed the relationship between trade liberalization, economic growth, and BOP in Sub-Saharan Africa, finding that trade openness





positively impacts economic growth, which in turn influences the BOP. Similarly, Boyle (2024) examined the interactions between BOP and exchange rate volatility in Nigeria, highlighting the significant implications of exchange rate fluctuations on the country's economic performance. These studies underscore the importance of economic health in mediating the effects of trade policies and BOP positions on trade outcomes.

### 1.3 Research Objectives

This study aims to investigate the mediating role of a healthy economy in the relationship between a favorable balance of payments (BOP) position and transnational trade. The specific objectives of the study are to:

1. Examine the direct relationship between a favorable BOP position and transnational trade performance.
2. Identify key indicators of a healthy economy and assess their influence on trade outcomes.
3. Analyze how economic stability, inflation rates, and institutional quality mediate the relationship between BOP positions and trade performance.
4. Evaluate the effectiveness of policy frameworks in leveraging a favorable BOP to enhance transnational trade.
5. Provide recommendations for policymakers on fostering economic conditions that maximize the benefits of a strong BOP position in international trade.

### 1.4 Research Questions

To achieve these objectives, this study will seek to answer the following research questions:

1. What is the direct impact of a favorable BOP position on transnational trade?
2. What are the key indicators of a healthy economy that influence international trade performance?
3. How do economic stability, inflation rates, and institutional quality mediate the relationship between a favorable BOP and transnational trade?



4. What role do government policies play in ensuring that a strong BOP position translates into increased trade competitiveness?
5. What strategies can policymakers adopt to strengthen the link between economic health, BOP surpluses, and trade growth?

## 1.4 Scope of the Study

This research will focus on analyzing the relationship between a country's BOP position and its engagement in transnational trade, with a specific emphasis on how a healthy economy serves as a mediator. The study will cover multiple economies across different regions, particularly those with varying economic structures and trade dynamics, to provide a broad and comparative understanding of the subject.

The research will consider data from the past 10 years to ensure relevance and will focus on key economic indicators such as GDP growth, inflation, employment rates, and institutional quality. By using a conceptual analysis approach, the study will draw insights from existing literature, economic models, and empirical findings to construct a comprehensive framework for understanding the role of economic health in international trade.

## 1.5 Significance of the Study

The findings of this research will be valuable to multiple stakeholders, including policymakers, economists, trade analysts, and business leaders.

1. For policymakers, the study will provide insights into the conditions under which a favorable BOP position leads to tangible trade benefits, helping governments design policies that strengthen economic stability and international trade.
2. For economists and researchers, it will contribute to the growing body of literature on international trade, macroeconomic stability, and the role of institutional frameworks in economic performance.





3. For businesses and trade organizations, the study will highlight the macroeconomic conditions that facilitate international market expansion, helping businesses make informed investment and trade decisions.

4. For international financial institutions, such as the IMF and World Bank, the research will offer useful perspectives on how countries can enhance their trade potential by improving economic fundamentals.

## 2.0 Literature Review and Hypothesis Development

The relationship between a nation's balance of payments (BOP) and its transnational trade performance has been extensively studied, with recent research providing insights into this dynamic study. This section reviews pertinent literature and develops hypotheses accordingly.

### 2.1 Trade Liberalization and Economic Growth

Trade liberalization is often posited as a catalyst for economic growth, which can subsequently influence a country's BOP. Epaphra and Amin (2022) analyzed 37 Sub-Saharan African countries from 1996 to 2019, finding that increased trade openness positively impacts economic growth. Similarly, Adenigbo et al. (2023) examined Nigeria's shipping trade and concluded that seaport imports and exports significantly affect the nation's GDP, highlighting the importance of trade activities in economic development. These findings suggest that trade liberalization enhances economic growth, which may improve the BOP.

**H1:** A favorable BOP position has a direct positive effect on transnational trade performance.

### 2.2 Economic Health.

The overall economic health of a nation can mediate the relationship between BOP and trade performance. Adenigbo et al. (2023) emphasized that Nigeria's economic growth is import-dependent, indicating that the structure of the economy plays a crucial role in how BOP influences trade. Furthermore, Epaphra and Amin (2022) highlighted that economic growth resulting from trade liberalization positively affects the trade balance and current account balance, suggesting that a healthy economy can effectively leverage a favorable BOP to enhance trade performance.



**H2:** Economic health indicators, such as GDP growth, mediate the relationship between a favorable BOP position and transnational trade performance.

## 2.3 Policy Frameworks and Institutional Quality

Sound policy frameworks which is a dimension of healthy economy, and strong institutions are essential for maintaining a favorable BOP and enhancing trade performance. Epaphra and Amin (2022) suggested that Sub-Saharan African governments should pursue policies that promote trade openness to improve the BOP and trade outcomes. This perspective aligns with the broader view that effective policy frameworks can strengthen the positive relationship between a favorable BOP and trade performance.

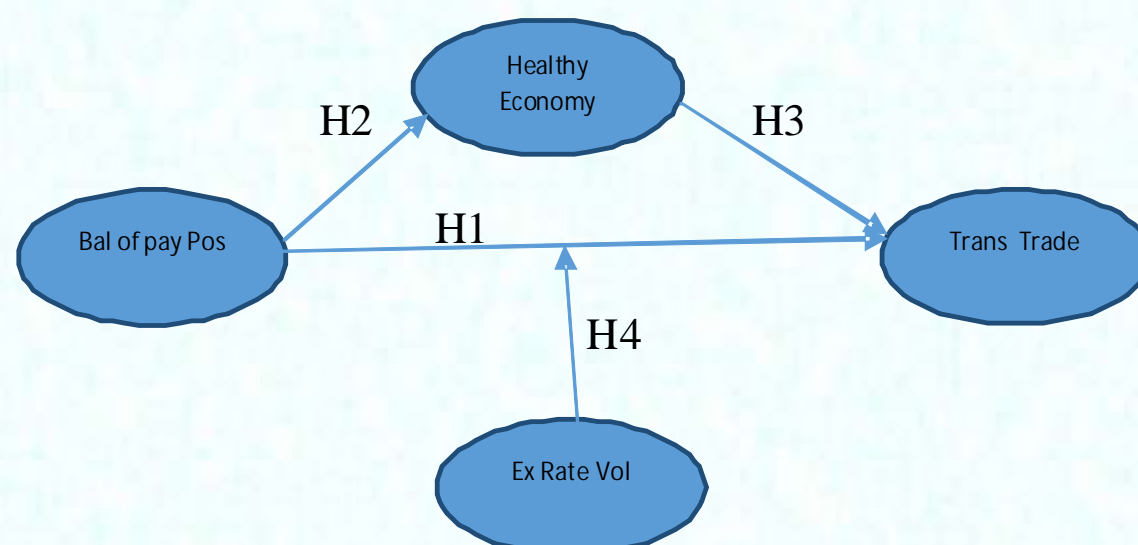
**H3:** Sound policy frameworks strengthen the positive relationship between a favorable BOP position and transnational trade performance.

## 2.4 Exchange Rate Volatility.

Exchange rate volatility significantly impacts the BOP and trade performance. Adenigbo et al. (2023) found that in the long run, exchange rates significantly affect Nigeria's GDP, implying that exchange rate fluctuations can alter the benefits of a favorable BOP on trade. Managing exchange rate volatility is thus vital for maintaining a favorable BOP and promoting trade.

**H4:** Exchange rate volatility negatively moderates the relationship between a favorable BOP position and transnational trade performance.

## Conceptual Model.







### 3.0 Discussions and Findings.

Recent scholarly investigations have delved into the intricate dynamics between trade liberalization, economic growth, and balance of payments (BOP) in various regions. Epaphra and Amin (2022) conducted a comprehensive study on 37 Sub-Saharan African countries from 1996 to 2019, employing dynamic panel data analysis. Their findings revealed that trade openness, measured by the trade-to-GDP ratio, positively and significantly impacts economic growth. Interestingly, while tariffs showed no direct effect on growth, both economic growth and trade openness positively influenced the trade balance and current account balance. This suggests that policies promoting trade openness can enhance the BOP position in these nations.

In the context of Nigeria, Agu et al. (2023) explored the role of non-oil exports and exchange rate stability in addressing BOP disequilibrium. Utilizing the Autoregressive Distributed Lag (ARDL) model and Error Correction Model (ECM) over the period 1981 to 2020, their study found that non-oil exports have a strong positive impact on Nigeria's BOP in both the short and long run. Specifically, a 1% increase in non-oil exports led to a 31.47% improvement in the BOP surplus in the long run. Conversely, exchange rate volatility negatively affected the BOP, though the effect was not statistically significant. The authors recommend a strategic shift towards the non-oil sector to achieve a favorable BOP.

These studies underscore the pivotal role of trade policies and export diversification in shaping a country's BOP. While trade liberalization and openness can drive economic growth and improve the BOP, the composition of exports and exchange rate stability remain crucial factors. Policymakers should consider these elements when formulating strategies to enhance their nations' economic standing in the global arena.

In exploring the mediating role of a healthy economy between a favorable balance of payments (BOP) position and transnational trade, several key findings emerge. A robust BOP, characterized by a surplus, often reflects a nation's competitive export performance and effective import management, contributing to economic stability. This stability fosters an environment conducive to transnational trade by enhancing investor confidence and facilitating smoother trade transactions.





However, the relationship between BOP and trade is complex. For instance, Okeke and Ezeala (2024) found that while export activities positively influence Nigeria's manufacturing sector, import activities have a negative impact, suggesting that an unfavorable BOP, driven by excessive imports, can hinder domestic industries and trade performance. This underscores the importance of maintaining a balanced BOP to support sustainable trade growth.

Moreover, Tella's (2019) analysis indicates that monetary policies, such as inflation targeting and regulated capital market integration, are crucial in adjusting BOP positions. Effective monetary policies can mitigate negative fluctuations in the BOP, thereby promoting a healthier economy that supports transnational trade.

These findings suggest that policymakers should focus on strategies that enhance export performance while managing import levels to maintain a favorable BOP. Additionally, implementing sound monetary policies is essential to stabilize the BOP and create an economic environment that facilitates transnational trade.

#### **4.0 Limitations of the Study**

While this study provides valuable insights into the mediating role of a healthy economy in the relationship between a favorable balance of payment position and transnational trade, it is not without limitations. First, the study relies on secondary data, which may be subject to inconsistencies in measurement across different sources (Epaphra & Amin, 2022). Data availability and reliability, especially for developing economies, may affect the accuracy of findings (Adenigbo et al., 2023).

Second, the study adopts a conceptual approach, which, while useful for theoretical advancement, lacks empirical validation. Future studies should conduct primary research using econometric models to test the proposed relationships (Cheong et al., 2017).

Third, macroeconomic variables such as inflation, exchange rate fluctuations, and global trade shocks are beyond the control of individual nations, making it difficult to isolate the effect of balance of payment positions on transnational trade (IMF, 2023). This limitation highlights the need for more robust statistical methods to control for such external influences.





Finally, cultural and institutional differences across countries may influence how balance of payment positions impact trade performance (World Bank, 2021). Since this study does not account for institutional quality and trade policies, future research should incorporate these factors into the analysis.

### **4.1 Suggestions for Further Studies**

Given the limitations identified, several directions for future research are recommended:

1. **Empirical Validation:** Future studies should employ quantitative models, such as structural equation modeling (SEM) or panel data regression, to empirically test the mediating effect of a healthy economy on transnational trade.
2. **Comparative Analysis:** Researchers should conduct comparative studies across different economic blocs, such as the European Union, ASEAN, and ECOWAS, to determine how regional economic policies shape the relationship between balance of payment positions and trade.
3. **Institutional Factors:** Further studies should examine the role of governance quality, trade policies, and financial regulations in influencing the impact of a favorable balance of payments on trade performance.
4. **Sectoral Analysis:** Future research can focus on specific sectors, such as manufacturing, agriculture, or technology, to determine whether certain industries benefit more from a stable BOP position.
5. **Longitudinal Studies:** Researchers should consider longitudinal studies to track the long-term effects of economic stability on trade, considering business cycles and policy reforms.
6. **Development of a conceptual framework** that integrates the mediating role of healthy of economy and moderating role of exchange rate volatility in the topic.

### **4.2 Recommendations**

Based on the findings of this study, the following recommendations are proposed



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1. **Strengthening Economic Policies:** Governments should implement sound fiscal and monetary policies to maintain a healthy economy, as economic stability plays a critical mediating role in boosting transnational trade.
2. **Diversification of Trade Partners:** Nations should diversify their trade relationships to reduce dependency on specific markets and mitigate the impact of trade imbalances.
3. **Investment in Trade Infrastructure:** Developing robust transportation, logistics, and digital trade platforms can enhance a country's ability to engage in transnational trade.
4. **Exchange Rate Stabilization:** Policymakers should adopt measures to reduce exchange rate volatility, such as foreign exchange reserves management and hedging strategies, to minimize trade uncertainties.
5. **Institutional Reforms:** Strengthening governance structures and enforcing trade agreements will enhance investor confidence and promote smoother trade flows.

### 5.0 Conclusion

This study examined the mediating role of a healthy economy in the relationship between a favorable balance of payment position and transnational trade. A strong balance of payments, when supported by economic stability, significantly enhances trade flows and fosters sustainable international commerce. However, macroeconomic instability, exchange rate volatility, and institutional inefficiencies can undermine these benefits (Epaphra & Amin, 2022; IMF, 2023).

Recent studies underscore the complex interplay between a nation's BOP and its transnational trade performance, highlighting the roles of trade liberalization, economic health, exchange rate stability, and policy frameworks. While a favorable BOP is generally associated with improved trade performance, this relationship is significantly influenced by the overall economic environment and institutional quality. Therefore, policymakers should adopt a holistic approach, considering these mediating and moderating factors to effectively leverage a favorable BOP for enhanced trade outcomes.

To maximize the benefits of a favorable BOP position, policymakers should implement strategies that stabilize the economy, promote trade diversification, and enhance institutional quality. Future research should build upon this conceptual analysis by integrating empirical





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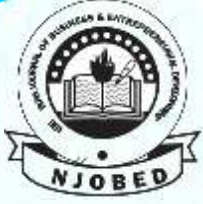
models and comparative studies to further validate these findings. A stable economic environment, coupled with sound trade policies, remains the key to fostering sustained transnational trade and global economic integration.



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## **The Paradox of Workplace Diversity: A Conceptual Exploration of Inclusion, Identity, and Organizational Performance**

By

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### **Abstract.**

*Though the increasing emphasis on workplace diversity as a driver of organizational performance is receiving scholarly attention in recent years, there still remains a paradoxical relationship between diversity, inclusion, and identity conflicts. While diversity is celebrated for fostering innovation, improving decision-making, and enhancing employee engagement, its implementation often results in unintended consequences such as social categorization, in-group favoritism, and exclusionary practices. This study seeks to explore the paradox of workplace diversity by examining its dual impact on inclusion and identity within organizations. It aims to investigate how diversity initiatives can simultaneously promote positive outcomes such as innovation and improved performance while also posing challenges related to identity conflicts and exclusion. The study employed thematic analysis to review literatures in the field. By developing a conceptual framework that integrates these complexities, this study provides insights that can guide organizations in effectively managing diversity to optimize performance and employee well-being. The recommendations of this study among others include prioritizing inclusive leadership training to equip managers with the skills to foster a workplace culture that embraces diversity, using data analytics to track diversity and inclusion progress, ensuring that policies are evidence-based rather than symbolic and considering intersectionality in the overlapping effects of multiple identity factors such as socioeconomic background, disability, and neurodiversity.*

**Keywords:** Workplace Diversity, Inclusion, Identity, Organizational Performance.





### 1.0 Introduction

#### 1.1 Background

In today's globalized economy, workplace diversity has become a fundamental aspect of organizational strategy. Diversity encompasses various individual differences, including race, gender, age, ethnicity, religion, disability, sexual orientation, cognitive variations, educational backgrounds, and life experiences (Roberson, 2019). Effectively managing diversity can lead to increased innovation, improved decision-making, and enhanced problem-solving abilities within organizations (Oberoi & Kehlenbeck, 2023).

Empirical research underscores the significant correlation between diversity and organizational performance. McKinsey et al. (2021) found that organizations in the top quartile for ethnic and cultural diversity were 36% more likely to outperform industry peers in profitability. Similarly, Nishii (2022) demonstrated that employees' perceptions of workplace diversity positively influence overall organizational performance, particularly in knowledge-intensive industries. These findings suggest that diversity is not only a moral and ethical imperative but also a strategic advantage that can drive long-term business success.

Despite its benefits, the implementation of diversity initiatives presents a paradox. While diversity fosters creativity and innovation, it can also lead to identity conflicts, communication barriers, and group polarization (Shore et al., 2018). Deep-seated biases, stereotypes, and preconceived notions may create friction among employees, affecting team cohesion and productivity (Joshi & Roh, 2019).

Inclusion is the mechanism that enables organizations to fully leverage the benefits of diversity (Sabharwal, 2021). Research has shown that when employees experience a sense of belonging, their job performance and engagement levels increase significantly (Jansen et al., 2022). Furthermore, organizations with high levels of inclusion are 70% more likely to capture new markets compared to those with lower inclusion efforts (Holmes et al., 2020).

However, achieving meaningful inclusion requires deliberate strategies. Policies that promote equal opportunities, structured diversity training programs, and open discussions on biases and discrimination are essential (Ferdman & Deane, 2019). An important consideration in fostering inclusion is intersectionality, as individuals may face overlapping forms of discrimination based on multiple aspects of their identity (Crenshaw, 2020). Addressing these challenges proactively enables organizations to mitigate the potential drawbacks of diversity while maximizing its benefits.

Identity plays a central role in the dynamics of diversity and inclusion. According to Social Identity Theory, individuals categorize themselves and others into social groups, shaping their workplace behaviors and interactions (Tajfel & Turner, 2019). These categorizations can lead to in-group favoritism and out-group bias, potentially exacerbating workplace tensions (Hogg, 2022).

Identity conflicts arise when employees feel that their personal or group identities are devalued within the organization. These conflicts can manifest as discrimination, microaggressions, or





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exclusion from critical professional networks, negatively affecting job satisfaction and productivity (Ely & Thomas, 2020). Conversely, organizations that actively affirm diverse identities and foster inclusive cultures see higher levels of employee engagement and commitment (Ashikali & Groeneveld, 2022). Creating safe spaces for diverse voices, celebrating cultural differences, and ensuring equal access to professional growth opportunities are crucial for leveraging the benefits of diversity (Bilimoria & Liang, 2021).

This study seeks to explore the paradox of workplace diversity by examining its dual impact on inclusion and identity within organizations. It aims to investigate how diversity initiatives can simultaneously promote positive outcomes—such as innovation and improved performance—while also posing challenges related to identity conflicts and exclusion (Williams & O'Reilly, 2023). By developing a conceptual framework that integrates these complexities, this study provides insights that can guide organizations in effectively managing diversity to optimize performance and employee well-being.

### 1.2 Statement of the Problem

Despite the increasing emphasis on workplace diversity as a driver of organizational performance, there remains a paradoxical relationship between diversity, inclusion, and identity conflicts. While diversity is celebrated for fostering innovation, improving decision-making, and enhancing employee engagement (Oberoi & Kehlenbeck, 2023), its implementation often results in unintended consequences such as social categorization, in-group favoritism, and exclusionary practices (Benschop et al., 2023). These dynamics create workplace tensions that can undermine the very benefits diversity initiatives seek to achieve.

One significant challenge is the failure of many organizations to transition from diversity to meaningful inclusion. Nishii (2022) highlights that diversity alone does not guarantee organizational success unless employees from underrepresented groups feel valued and integrated into decision-making processes. Without an inclusive culture, diverse employees often experience identity-based tensions, micro aggressions, and limited access to career advancement opportunities (Jansen et al., 2022). This exclusionary environment not only reduces job satisfaction but also increases turnover rates, negating the positive impact of diversity on workforce stability.

Furthermore, identity conflicts in diverse workplaces can lead to communication barriers and a lack of trust among employees. According to Ely and Thomas (2020), employees who perceive a disconnect between their social identities and organizational values are less likely to engage in collaborative efforts, ultimately diminishing team performance. This misalignment can be particularly detrimental in multicultural and multinational organizations, where cultural misunderstandings and implicit biases exacerbate workplace tensions (Ashikali & Groeneveld, 2022).

Another pressing issue is the superficial implementation of diversity initiatives that focus on numerical representation rather than fostering genuine inclusivity. Organizations that prioritize





diversity metrics over cultural transformation may appear progressive on the surface while failing to create an environment where diverse employees feel a sense of belonging (Williams & O'Reilly, 2023). This gap between diversity efforts and actual inclusion often leads to dissatisfaction among employees, making it imperative to explore strategies that integrate both aspects effectively.

Given these complexities, there is a need for a more nuanced understanding of how diversity influences workplace dynamics. This study addresses the gap by examining the paradox of diversity, with a focus on how organizations can mitigate identity conflicts while fostering an inclusive and high-performing workforce. By integrating insights from recent scholarship, this research aims to provide practical recommendations for organizations seeking to balance diversity and inclusion to optimize employee well-being and organizational success.

### 1.3 Objectives of the Study

This study aims to explore the paradox of workplace diversity by examining its impact on inclusion and identity conflicts within organizations. Specifically, the study seeks to:

1. To analyze the relationship between diversity and organizational inclusion – Investigating how diversity initiatives contribute to fostering inclusive workplaces.
2. To examine the role of identity in shaping employee experiences within diverse workplaces
3. To investigate the challenges associated with workplace diversity
4. To develop strategies for managing diversity effectively
5. To contribute to the theoretical discourse on workplace diversity

### 1.4 Research Questions

1. How does diversity influence organizational inclusion and employee engagement?
2. What are the key identity-related challenges that arise in diverse workplaces?
3. How do employees perceive their identity within diverse organizational settings, and what factors contribute to identity conflicts?
4. What strategies can organizations adopt to foster an inclusive culture while mitigating identity-based tensions?
5. What theoretical perspectives can help explain the paradox of workplace diversity?

### 1.5 Significance of the Study

The importance of this study lies in its potential to bridge the gap between workplace diversity initiatives and their actual impact on employee inclusion and identity.





From a practical perspective, the findings will be valuable for HR professionals, organizational leaders, and policymakers who seek to create more inclusive workplaces. By identifying common barriers to inclusion, the study offers actionable recommendations for fostering a work environment that values diverse identities and perspectives.

From an academic standpoint, this research contributes to the theoretical discourse on workplace diversity by integrating perspectives from organizational behavior, social identity theory, and inclusion framework. The study's conceptual approach helps expand existing models and provides a foundation for future empirical research on diversity and inclusion.

On a societal level, promoting workplace inclusion has broader implications for social equity and economic development. Organizations that successfully implement diversity and inclusion practices can serve as models for inclusive societies, reducing discrimination and promoting equal opportunities for all individuals, regardless of their backgrounds.

Thus, this study is relevant to multiple stakeholders, including business organizations, researchers, and policymakers, as it sheds light on both the benefits and challenges of workplace diversity.

### **1.6 Scope of the Study**

This study focuses on the interplay between workplace diversity, inclusion, and identity within organizational settings. The scope is delineated along the following dimensions:

1. **Conceptual Focus** – The study examines diversity from a conceptual standpoint, exploring how it influences organizational inclusion and employee identity rather than conducting an empirical investigation
2. **Contextual Scope** – The research primarily addresses corporate and public sector organizations, where diversity management is a strategic concern. While the study draws insights from global literature, its findings are particularly relevant to organizations operating in multicultural and diverse workforce environments.
3. **Theoretical Boundaries** – The study is grounded in organizational behavior, diversity management, and social identity theories, which provide a comprehensive framework for understanding the paradoxes associated with diversity (Tajfel & Turner, 2019).
4. **Time Frame** – The study reviews research published within the last ten years to ensure that the findings are based on contemporary discussions on workplace diversity and inclusion (Williams & O'Reilly, 2023).





## 2.0 Literature Review and Hypothesis Development

### Theoretical Framework.

A strong theoretical foundation is necessary to understand the paradoxical effects of workplace diversity. This study draws on several key theories to explain the relationship between diversity, inclusion, and identity in organizational settings.

### 2.1 Social Identity Theory

Social Identity Theory (SIT), developed by Tajfel and Turner (2019), posits that individuals categorize themselves and others into social groups based on shared characteristics. This categorization process influences workplace interactions, leading to in-group favoritism and out-group bias (Hogg, 2022). In diverse workplaces, employees may align with those who share similar identities, creating divisions that impact collaboration and inclusion (Ely & Thomas, 2020). Understanding these dynamics helps organizations design strategies that reduce identity conflicts and foster a cohesive work environment.

### 2.2 Inclusion Framework

Ferdman and Deane (2019) propose an inclusion framework that emphasizes the importance of organizational structures and leadership in fostering workplace inclusion. This model suggests that inclusion is achieved when diverse employees feel valued, respected, and integrated into organizational processes. Nishii (2022) extends this argument by demonstrating that organizations with inclusive climates experience higher employee engagement and lower turnover rates. Applying this framework to diversity management allows organizations to shift their focus from numerical representation to meaningful inclusion.

### 2.3 Diversity Management Theory

Diversity Management Theory (DMT) highlights the strategic importance of managing diversity for organizational success. According to Williams and O'Reilly (2023), organizations that implement structured diversity initiatives experience improved innovation and decision-making. However, Benschop et al. (2023) caution that poorly managed diversity efforts can lead to identity conflicts and resistance among employees. This study applies DMT to explore the conditions under which diversity enhances or hinders workplace performance.

### 2.4 Intersectionality Theory

Crenshaw (2020) introduced Intersectionality theory to explain how overlapping social identities shape individuals' experiences of discrimination and privilege. In workplace settings, employees with multiple marginalized identities may face compounded challenges, such as gender and racial biases (Ashikali & Groeneveld, 2022). This theory is crucial for understanding how diversity efforts can be tailored to address the specific needs of different identity groups within organizations.





outcomes, research highlights potential challenges, particularly in terms of social categorization, identity tensions, and workplace conflict (Benschop et al., 2023; Nishii, 2022). This section reviews relevant literature, synthesizing scholarly perspectives on diversity and inclusion before developing hypotheses that explore their interplay in organizational settings.

### 2.5 The Paradox of Workplace Diversity

Workplace diversity is widely recognized as a strategic asset that enhances creativity, decision-making, and overall organizational performance (Oberoi & Kehlenbeck, 2023; Jansen et al., 2022). Organizations that embrace diversity benefit from a broader talent pool, increased adaptability, and stronger problem-solving capabilities (Williams & O'Reilly, 2023). However, researchers also note that diversity can inadvertently create workplace tensions, leading to social categorization and identity-based conflicts (Ely & Thomas, 2020).

Social Identity Theory suggests that individuals categorize themselves and others into social groups, leading to in-group favoritism and out-group biases. This process can result in exclusionary practices that undermine the benefits of diversity. Nishii (2022) argues that diversity alone does not guarantee positive outcomes; organizations must actively foster inclusion to ensure that diverse employees feel valued and engaged. The failure to integrate diverse employees into workplace structures often results in dissatisfaction and turnover (Ashikali & Groeneveld, 2022).

Thus, the paradox of workplace diversity lies in its dual nature: while diversity fosters innovation and competitive advantage, it also presents risks related to identity conflicts and workplace exclusion. This study develops hypotheses to examine these complexities.

### 2.6 Diversity and Organizational Inclusion

Diversity without inclusion can lead to unintended negative consequences, including workplace alienation and decreased employee engagement (Benschop et al., 2023). According to Ferdman and Deane (2019), an inclusive organization is one where all employees, regardless of their demographic or social identity, feel respected, valued, and integrated into decision-making processes. Nishii (2022) supports this view, emphasizing that inclusion fosters psychological safety, thereby enhancing employee well-being and job performance.

However, recent studies suggest that many organizations struggle to create an inclusive culture. Jansen et al. (2022) highlight that tokenism—where diversity efforts focus solely on numerical representation—can create feelings of isolation among minority employees. Moreover, workplace policies that fail to address structural biases may reinforce exclusionary practices (Williams & O'Reilly, 2023).

**H1:** Organizational inclusion is positively related to workplace diversity

### 2.7 Identity Conflicts in Diverse Workplaces

Identity conflicts emerge when employees perceive a disconnect between their personal identities and workplace expectations (Ely & Thomas, 2020). Social identity fragmentation, stereotype threat, and implicit biases contribute to tensions that can diminish employee morale





and performance (Benschop et al., 2023). Ashikali and Groeneveld (2022) found that employees who feel marginalized due to their identities are less likely to participate in collaborative efforts, leading to disengagement and lower productivity.

Moreover, intersectionality theory (Crenshaw, 2020) suggests that individuals with multiple marginalized identities—such as women of color or LGBTQ+ employees—may experience compounded discrimination. Jansen et al. (2022) argue that organizations often overlook these intersectional challenges, resulting in diversity policies that fail to address the unique struggles of different employee groups.

**H2:** Identity conflicts increases the likelihood of workplace diversity.

## 2.7 Psychological Safety and Workplace Inclusion

Psychological safety—the extent to which employees feel safe to express themselves without fear of retribution—is a critical factor in fostering inclusion (Edmondson, 2019). Employees in diverse workplaces often hesitate to share perspectives due to concerns about bias or exclusion (Jansen et al., 2022). Ferdman and Deane (2019) argue that psychological safety is essential for ensuring that diversity translates into meaningful participation rather than tokenism.

Studies show that workplaces with high psychological safety report lower turnover rates and higher levels of job satisfaction among diverse employees (Nishii, 2022). Conversely, organizations with low psychological safety experience increased identity conflicts and disengagement (Benschop et al., 2023).

## 2.8 Diversity Management Strategies for Reducing Identity Conflicts

To maximize the benefits of diversity while minimizing identity conflicts, organizations must implement strategic diversity management practices. These include mentorship programs, bias training, and inclusive policy development (Williams & O'Reilly, 2023). Nishii (2022) highlights that diversity efforts must go beyond compliance-based approaches and focus on cultural transformation.

Benschop et al. (2023) suggest that organizations with strong diversity management frameworks experience better team cohesion and employee satisfaction. Moreover, intersectionality-informed policies that address multiple dimensions of identity result in more equitable workplaces (Crenshaw, 2020).

**H3:** Effective identity conflicts management practices reduce positive impact of workplace diversity.

## 2.9 The Role of Leadership in Managing Diversity and Inclusion

Leadership plays a crucial role in shaping diversity and inclusion outcomes within organizations. Inclusive leadership, characterized by openness, support, and advocacy for diverse employees, has been shown to mitigate identity conflicts and enhance employee engagement (Nishii, 2022; Ferdman & Deane, 2019). Leaders who actively promote inclusive policies create an



environment where employees feel psychologically safe to express their identities without fear of bias (Edmondson, 2019).

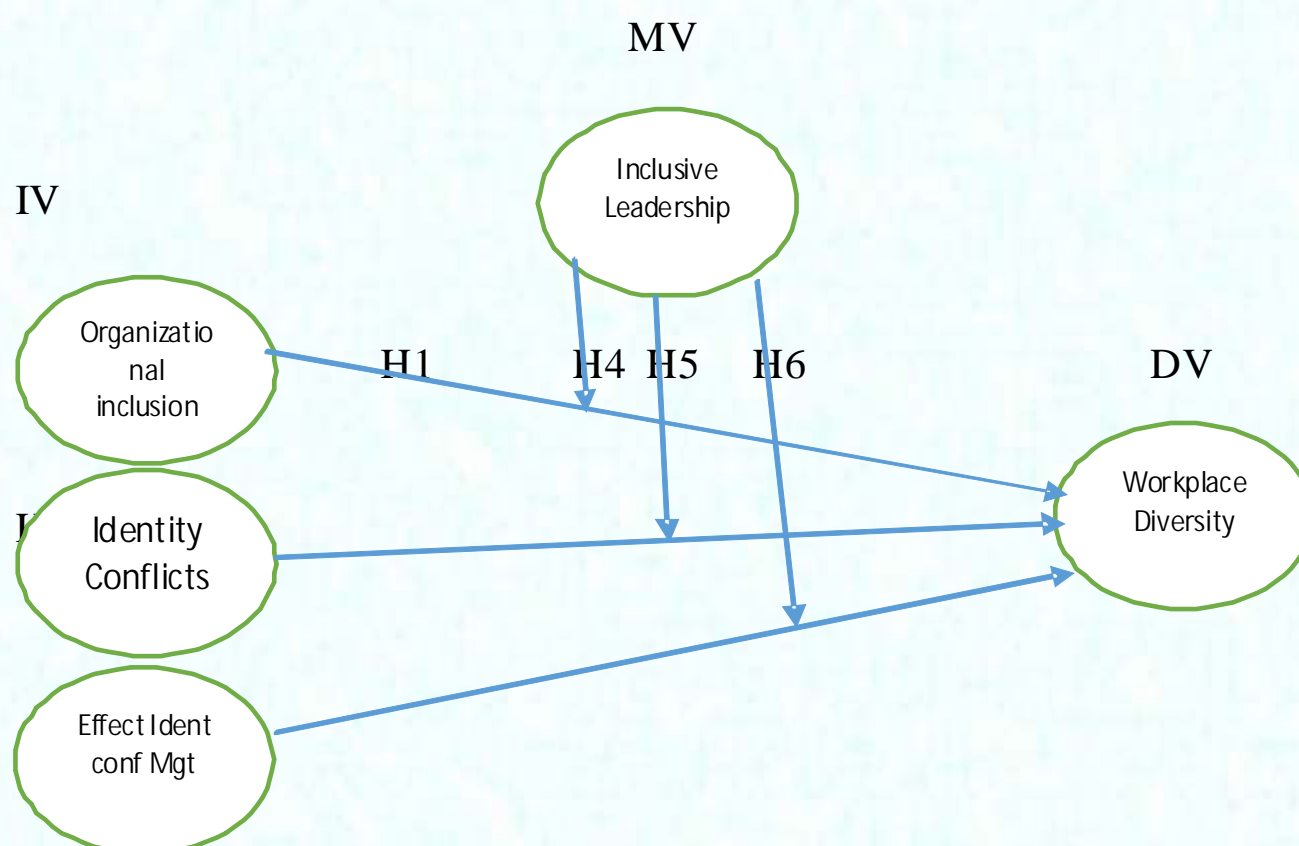
However, the effectiveness of leadership in diversity management depends on organizational culture. Williams and O'Reilly (2023) found that organizations with hierarchical structures often struggle to implement inclusive policies due to rigid power dynamics. In contrast, organizations with participatory leadership styles tend to experience higher levels of employee inclusion (Benschop et al., 2023).

**H4:** Inclusive leadership moderates the relationship between organizational inclusion and workplace diversity.

**H5:** Inclusive leadership moderates the relationship between identity conflicts and workplace diversity.

**H6:** Inclusive leadership moderates the relationship between effective conflicts management practices and workplace diversity.

### Conceptual Model.



### 3.0 Methodology

The methodology section outlines the research design, data collection methods, and analytical techniques used in this conceptual study. Since this study is conceptual, it does not rely on primary data collection; rather, it synthesizes existing literature to develop theoretical arguments and propose hypotheses. Conceptual research is a widely accepted academic approach that





allows for an in-depth exploration of theoretical constructs and relationships between variables (MacInnis, 2023). This section details the methodological choices made to ensure the rigor and validity of the study.

### 3.1 Research Design

This study employs a conceptual research design, which is appropriate for developing theoretical frameworks and advancing knowledge without direct empirical investigation (Jaakkola, 2020). Conceptual studies help refine constructs, clarify relationships, and propose new perspectives that can guide future empirical research (Gilson & Goldberg, 2022). By synthesizing and critically analyzing existing literature, this study develops a framework that links workplace diversity, inclusion, and identity conflicts.

### 3.2 Data Collection Method

As a conceptual paper, this study relies on secondary data from peer-reviewed journal articles, books, and reports published. The selection of sources follows a systematic literature review approach to ensure that only high-quality and relevant academic works are included (Snyder, 2019). The databases used for sourcing literature include Scopus, Web of Science, JSTOR, and Google Scholar, ensuring access to reputable and high-impact studies. To maintain academic rigor, only sources from well-established academic publishers, such as Elsevier, Wiley, Springer, and Sage, were considered.

### 3.3 Analytical Approach

This study employs a systematic literature review and thematic analysis to identify patterns, contradictions, and gaps in existing research. The thematic analysis approach categorizes literature into key themes such as the benefits of diversity, identity conflicts, the role of inclusion, leadership influence, and psychological safety (Nowell et al., 2017). This method enhances the clarity of the conceptual arguments and ensures that hypotheses are based on well-established theoretical insights.

### 3.4 Justification of Methodological Approach

A conceptual methodology is appropriate for this study because it allows for the integration of multiple theoretical perspectives to build a comprehensive framework (Jaakkola, 2020). Unlike empirical research, which focuses on data collection and statistical analysis, conceptual research advances knowledge by identifying theoretical relationships, synthesizing findings, and proposing new models (Gilson & Goldberg, 2022). This approach is particularly valuable in fields like organizational behavior and management studies, where theoretical advancements often guide future empirical work.





### 4.0 Discussions.

While this study provides a conceptual framework for understanding workplace diversity, inclusion, and identity conflicts, several areas require further exploration. First, empirical validation of the proposed relationships through quantitative and qualitative studies is necessary to confirm theoretical insights. Longitudinal and experimental research can assess the long-term impact of diversity initiatives on employee engagement and organizational performance (Benschop et al., 2023).

Also, cross-cultural perspectives should be examined, as diversity challenges vary across regions due to cultural norms and legal frameworks (Nishii, 2022). Comparative studies in non-Western contexts can offer a broader understanding of inclusion practices.

In the same vein, the role of artificial intelligence (AI) in diversity management is an emerging area of interest. While AI can enhance fair recruitment processes, it may also reinforce biases, requiring further study on its ethical implications (Ferdman & Deane, 2019). Additionally, future research should focus on intersectionality, exploring underrepresented diversity dimensions such as neurodiversity and socioeconomic background (Crenshaw, 2020).

### 4.1 Limitations of the Study

Every research study has its limitations, and this conceptual paper is no exception. One key limitation is its reliance on secondary sources rather than primary data collection. While conceptual studies provide valuable theoretical insights, they lack empirical validation, making it difficult to establish causal relationships between workplace diversity, inclusion, and identity conflicts (Jaakkola, 2020). Without direct engagement with organizational settings, the study's findings remain theoretical constructs rather than tested realities.

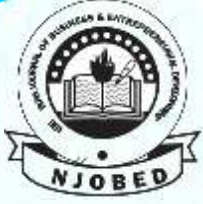
Another limitation is the potential for bias in literature selection. Although a systematic approach was adopted in reviewing academic sources, the study may still reflect dominant narratives in the field while overlooking emerging perspectives from less-explored contexts (Snyder, 2019). For example, much of the existing research on diversity and inclusion is Western-centric, which may not fully capture how these dynamics operate in other cultural and economic environments (Nishii, 2022).

Additionally, the study does not account for rapidly evolving workplace trends such as hybrid work models, digital transformations, and geopolitical influences on workforce composition. Diversity and inclusion are dynamic areas, and frameworks developed today may require revisions as new challenges emerge (Benschop et al., 2023).

### 4.2 Recommendations

1. Organizations should prioritize inclusive leadership training to equip managers with the skills to foster a workplace culture that embraces diversity
2. Companies should use data analytics to track diversity and inclusion progress, ensuring that policies are evidence-based rather than symbolic.





3. Organizations must also consider intersectionality—the overlapping effects of multiple identity factors such as socioeconomic background, disability, and neurodiversity.
4. Organizations should foster employees' psychological safety by establishing confidential reporting systems for discrimination complaints and ensuring swift, fair conflict resolution.
5. With the rise of AI-driven hiring tools, organizations should ensure that these systems are designed to eliminate biases rather than reinforce them. HR departments should work with data scientists to audit AI algorithms, ensuring that recruitment and promotion processes remain fair and transparent.

### 5.0. Conclusion.

This study serves as a foundation for further exploration in the field of workplace diversity studies despite its limitations. Future empirical research can test the proposed relationships, while interdisciplinary studies can expand the discussion by incorporating perspectives from sociology, psychology, and political science. Addressing these limitations will enhance the robustness and applicability of diversity and inclusion frameworks in modern workplaces.

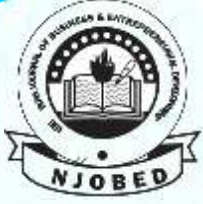
Workplace diversity offers numerous benefits, but it also presents challenges that organizations must carefully navigate. Understanding the interplay between diversity, inclusion, and identity is essential for leveraging the full potential of a diverse workforce. This study contributes to this understanding by offering a comprehensive analysis of the paradoxes inherent in workplace diversity and presenting strategies for fostering an inclusive and high-performing organizational culture. The more efficient is an organization's inclusive policies, the more robust will be the mechanisms of managing diversity in the organization.



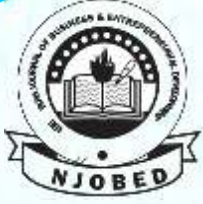
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**THE MEDIATING ROLE OF PATRONAGE FACTORS IN THE NEXUS BETWEEN  
WASTE RECYCLING MANAGEMENT AND THE DEVELOPMENT OF SMALL AND  
MEDIUM ENTERPRISES (SMEs) IN KANO STATE NIGERIA.**

**BY**

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## Abstract

*This research is set to empirically examine the Nexus between Waste Recycling Management and the Development of Small and Medium Enterprises (SMEs) in Kano State Nigeria, using patronage factors such as community support and customer loyalty as mediating variables. The research work is aimed at finding out how sewage recycling if managed well can bring about more employment in the SMEs sector in Kano State on one hand, and boost local production of goods and services on the other thereby reducing the forex differentials between Naira and foreign currency in the country and as well facilitate means of achieving Naira value appreciation. The study would adopt correlational research design to reach out to the target respondents. The population of the study is 455 scavengers in Kano state. A sample size of 81 scavengers was determined using Taro Yamane (1976) formulae. Primary data is used and the data was collected through questionnaire administration. Snowballing sampling technique is used to get to the target sampling frame. The analysis revealed that regulatory factors, such as government policies and tax incentives, have a significant positive impact on SME development.  $R^2$  of .233 implies that predicting variables (Regulatory Framework, Institutional Capacity and Cultural Factors) under the study were able to account or explain 23% variance in the dependent variable (SMEs Development), while the remaining 77% was not captured by this study. The results also shows  $R^2$  of .205 which implies that the predicting variables were able to explain 21% variation in the SMEs Development. The significant F. test of (8.223,  $p < 0.000$ ) signifies the overall significant prediction of independent variables to the dependent variable, which further implies  $p$  value of 0.000 in the model fitness in regressing the relationship between factors of waste management and SMEs Development. However, this relationship is greatly enhanced when strong customer patronage is present. SMEs that effectively communicate their compliance with regulatory standards tend to attract more local customers, thereby boosting their growth. Conversely, SMEs that fail to engage with their customer base often struggle, even in favorable regulatory environments. The study recommends that SMEs should invest in marketing strategies that highlight their compliance with regulatory standards to build trust and loyalty among customers, among others.*

**Keywords:** Regulatory factors, Institutional Capacity, Cultural factors, SMEs Development, Community Support, Customer Loyalty, Waste Recycling.





## 1.0 Introduction.

The vast population of Kano State informs the reason for their high level of waste generation whose effective management via application of recycling technology would not only sanitize these cities but also provide more jobs for the teeming unemployed youths thereby developing the Small and Medium Enterprises in the states. A significant challenge confronting engineers and scientists in developing countries is the search for appropriate solutions to the collection, treatment, and disposal or reuse of domestic waste. Technologies of waste collection and treatment that have been taught to civil engineering students and practiced by professional engineers for decades are, respectively, the water-borne sewerage and conventional waste treatment systems such as activated sludge and trickling filter processes (Kurniawan, T. A., Meidiana, C., Othman, M. H. D., Goh, H. H., & Chew, K. W., 2023). However, the above systems do not appear to be applicable or effective in solving the sanitation and water pollution problems in developing countries.

Small and medium businesses gained an increasing attention worldwide following the role these enterprises played in the reconstruction of the economies of countries defeated in World War II, Japan in particular (Kowo, S. A., Adenuga, O. A. O., & Sabitu, O. O., 2019). This attention was evident more clearly in the last quarter of the twentieth century when large companies started losing many job opportunities. As a result of the inventions and innovations of small businesses, and the solution they provide to different economic problems, particularly in terms of employment, there was a sort of consensus on the importance and key role these enterprises play in the different economies (Gumel, B. I., & Bardai, B. B., 2023). While the governments in developing countries such as Nigeria are saddled with the burden of making policies in trade and investment areas, it is enterprises that are directly involved in trade and investment. Therefore, the way government, development partners and the private sector address barriers to trade and investment, has direct implications on the economic growth of these developing countries and the private sector development, which has the core competence for wealth creation and take advantage of global trade and investment opportunity, is considered to be vital to poverty alleviation (Kowo, S. A., et al, 2019). Effective recycling of waste in the identified states will help boost their local production capacities and as well promote their SMEs by ensuring adequate supply of both raw materials and finished goods at affordable prices (Yang, J., Jiang, P., Zheng, M., Zhou, J., & Liu, X., 2022).





### 1.1 Problem Statement

Many SMEs in Nigeria die within their first few years of existence. Another smaller percentage goes into extinction between the sixth and tenth years thus only about five to ten percent of young companies survive, thrive and grow to maturity (Onuwa, G. C., Mailumo, S. S., & Okeke-Agulu, K. I., 2023). Many factors have been identified as to the possible causes or contributing factors to the premature death. Key among this include insufficient capital, lack of focus, inadequate market research, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper bookkeeping, lack of proper records or lack of any records at all, inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right staff, lack of sufficient patronage of locally produced goods and services, dumping of foreign goods and over-concentration of decision making on one (key) person, usually the owner (Ekon, B., & Isayas, B., 2022). The waste recycling technology (in a nation that generates over 32 metric tonnes of solid waste annually) offers a more promising opportunity and solutions to all of the factors above for the selected states in particular and Nigeria in general. The large tons of waste produced in these states due to their relative higher population if handled well could be a blessing rather than the nuisance it was made to be (Liu, K., Tan, Q., Yu, J., & Wang, M., 2023).

Most human activities generate waste. Despite that, the production of waste remains a major source of concern as it has always been since prehistoric period (Tiwari, R., Azad, N., Dutta, D., Yadav, B. R., & Kumar, S., 2023). In recent times, the rate and quantity of waste generation in third world nations including Nigeria have been on the increase. As the volume of waste increases, so also does the variety of the waste increases (Cano, N. S. D. S. L., Iacovidou, E., & Rutkowski, E. W., 2022). Unlike the pre-historic period where wastes were merely a source of nuisance that needed to be disposed of, proper management by using waste recycling technology in the most densely populated states of Nigeria, such as Lagos, Katsina, Kaduna and Kano will be a reliable means of economic diversification. A substantial increase in volume of waste generation began in the sixteenth century when people began to move from rural areas to cities as a result of industrial revolution (Chen, W., Yin, W., Yi, B., Xu, S., Zhang, H., & Li, X., 2023). This migration of people to cities led to population explosion that in turn led to a surge in the volume and variety in composition of wastes generated in cities (Amasuomo & Baird, 2016). It was then that materials such as metals and glass began to appear in large quantities in municipal waste stream.

The large population of people in cities and communities gave rise to indiscriminate littering and open dumps as is the case of the selected states for this research (Wei, Y., Zhang, L., & Sang, P., 2023). Recycling of these waste will bring a number of advantages for the states in particular and Nigeria in general. Major advantages of the recycling of waste in these states will ensure regular





study will therefore examine the role waste recycling management in SMEs development in the four most densely populated states in Nigeria.

### 1.2 Objectives of the Study.

The main objective of the study is to examine the mediating role of patronage factors in the nexus between waste recycling management and the development of the SMEs in Kano State. Other specific objectives are

1. To assess the extent to which patronage factors mediate the relationship between regulatory factors and SMEs development in Kano state.
2. To determine the extent to which patronage factors mediate the relationship between institutional capacity and SMEs development in Kano state.
3. To ascertain the role of patronage factors as mediator in the relationship between cultural factors and SMEs development in Kano state.

### 1.3 Research Questions

1. Does patronage factors mediate the relationship between regulatory factors and SMEs development in Kano state?
4. Does patronage factors mediate the relationship between institutional capacity and SMEs development in Kano state?
2. Does patronage factors serve as mediators in the relationship between cultural factors and SMEs development in Kano state?

### 1.4 Theoretical Framework.

The nexus between waste recycling management and SMEs development can be studied from the theory of Large Economy of Scale which was formulated by economists around the world to minimize production cost and promote competitiveness. The outbreak of World War II and emergence of the Soviet Union as a super industrial and economic power stresses the validity of the theory of Large Economy of Scale and added in some parts detailed theories on state role not only in terms of directing development and economy to increase national production capacity, but also forenhancing direct investments in large enterprises established by the state to absorb theincreasing numbers of work seekers (Gajere, M. C., 2023). Small and medium businesses was a tradition confined to economic development studies thatfocus on the role of these enterprises in countering poverty as well as in unemployment inpoor countries. Economic writings and literature that focus on the positive role of smallbusinesses, such as Schumacher “Small is Beautiful” (1973), have been viewed as mere type of curiosity, because they were in contrast to the prevailing philosophy stressing that economicgrowth and development entail maintaining economies of scale.It is worth mentioning that the conception of big companies as the cornerstone of moderneconomy dates back on the onset of the industrial revolution and the





concept of large-scale economies introduced by Adam Smith. This concept reached its apex in late 19th century with the dominance of trust in steel, oil and automobiles industries (Onuwa, G. C. et al., 2023).

Small - businesses were never viewed in terms of their ability to play a key role in the economy, but rather a source of raw materials and manpower for big companies (Ufua, D. E., et al., 2022). Nevertheless, this role is expected to disappear in the future, as it was the case in the industry sector, whereby giant large firms dominated the economies of the west during most of the 20th century.

## 2.0 Literature review and Hypothesis Development

The development of viable SMEs in Nigeria has over the years been challenged by a number of harsh economic conditions which characterize the Nigerian business environment (Okafor, S. O., Ejelonu, H. O., & Onyekwere, C. G., 2022). Ejelonu, H., & Okafor, S. (2022) observe that these harsh economic condition came as a result of lack of sources of capital, lack of institutional support and lack of requisite entrepreneurial skills. Aderemi, T. A., Aransiola, I. J., Ojo, L. B., Ojo, J. O., & Okoh, J. I. (2022) believe that the raw materials export to foreign advanced nations has had tremendous negative effect on African economic development for a long time, thereby rendering our SMEs to be only raw materials producers for the developed countries.

These developed nations have long overcome health and environmental hazards constituted by waste using a number of waste recycling technologies unlike African nations where the waste is seen as a nuisance rather than a wealth resource. For SMEs to thrive, favourable institutional frameworks are required. Unfortunately, in Nigeria they are overlooked by policy-makers and legislators, whose target is usually larger corporations.

## 2.1 SMEs contribution to economic development

There have been series of debates about the role of small-scale enterprises in economic development. Many studies found that SMEs play better role than large firms in some industrial sectors, while other studies found that they are less efficient compared to the larger firms. These mixed evidences about how efficient SMEs are relative to larger firms are discussed in Little, Gajere, M. C., (2023). Additionally, previous researchers found that most of SMEs were less efficient on average than their larger counterparts in five countries (Malaysia, Indonesia, Mexico, Colombia, Taiwan), but a significant number of highly efficient SMEs were found, and they were relatively more productive than some large firms, Ojo, A. O., & Shittu, S. A., (2023). The same research also stated that efficient firms had better access to new technology through knowledge, licensing agreements, joint ventures with foreign partners, and export contact with foreign buyers and suppliers. They had a more educated work force, and were more likely to

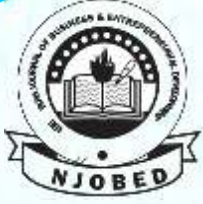




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Onwuchekwa, F., (2023). Nigeria remains a country with very high potential but an equally high inertia to develop. The country is blessed with abundant supply of enormous human, agricultural, petroleum, gas, and large untapped solid mineral resources (Ufua, D. E., Olujobi, O. J., Tahir, H., Al-Faryan, M. A. S., Matthew, O. A., & Osabuohien, E., 2022). Since her independence from British rule in 1960, the country has gone through decades of political instability and this has brought with it a climate of social tension and an unpredictable market for business. The successive forceful takeover of government by the use of military coup and the indigenization policy of the late 70's has put off investors who hitherto saw the country as a large and growing market (Lateef, M., & Keikhosrokiani, P., 2022). Due to the nature of these governments, there is perceived corruption, policy instability, poor infrastructural development and lack of accountability of public funds. This is also true for most Sub-Saharan African countries as industrial production has declined or stagnated over the past decades (Oyekan, M., 2022). Diversification to areas such as recycling of waste is therefore very imperative. According to Anoke, A. F., Onu, A. N., & Agagbo, O. C. (2022), the Nigerian government since independence has been spending an immense amount of money obtained from external funding institutions for entrepreneurial and small business development programs, which have generally yielded poor results (Salau, N. A., & Nurudeen, A. D. E. Y. E. M. I., 2022). This author is of the opinion that if waste materials are harnessed effectively via modern waste management technology, there will be a monumental boom in SMEs development in Nigeria.



## 2.1.2 Regulatory Factors and SME Development

The regulatory environment, including government policies, tax regimes, and business laws, play a crucial role in SME growth. However, the efficiency of these regulations can be mediated by patronage, especially when favorable regulations align with customer expectations. For instance, simplified tax systems or supportive legislation can reduce the burden on SMEs, but customer support and loyalty ultimately determine the success of SMEs within these frameworks. Studies emphasize the importance of local patronage in reinforcing the effects of regulatory support, as customers tend to support businesses that are perceived as compliant with ethical standards and local regulations (Gbandi&Amissah, 2014).

## 2.1.3 Institutional Capacity and SME Development

Institutional capacity refers to the ability of organizations and governments to support SME development through resources, training, and infrastructure. Recent research reveals that patronage can mediate this relationship. For example, when SMEs benefit from institutional support like financing or training programs, customer loyalty becomes pivotal. Without strong patronage from customers, even well-supported SMEs may struggle to thrive (Famiola&Wulansari, 2020). In some African countries, institutional pressures to adopt sustainable practices have also been shown to indirectly affect SMEs through the level of local patronage (Eweje, 2020).





## 2.1.4 Cultural Factors and SME Development

Cultural factors, including community values, traditions, and societal norms, heavily influence the success of SMEs. In certain contexts, local cultural expectations may either enhance or undermine the patronage of SMEs. For instance, SMEs that align their practices with cultural values such as sustainability or social responsibility may experience higher patronage. Research suggests that in regions with strong cultural identities, customer patronage can serve as a powerful mediator between cultural alignment and SME success (Higgs & Hill, 2019). This is particularly true in settings where SMEs adopt practices that resonate with local cultural beliefs, thereby enhancing customer loyalty and business sustainability. Hence, the following hypotheses are developed.

### 2.2.1 Hypothesis Development

**Ho1:** Patronage factors does not mediate the relationship between regulatory factors and SME development.

SMEs that benefit from supportive regulatory environments will experience greater development if they also cultivate strong customer patronage (Gbandi & Amissah, 2014).

**Ho2:** Patronage factors does not mediate the relationship between institutional capacity and SME development.

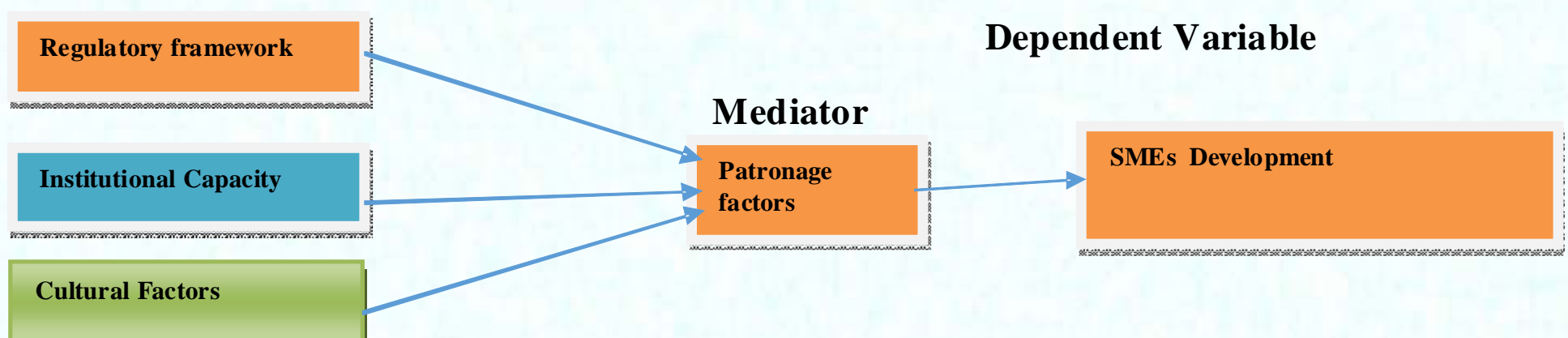
SMEs with institutional support, such as access to finance and infrastructure, will achieve higher performance if they enjoy strong customer loyalty (Famiola & Wulansari, 2020).

**Ho3:** Patronage factors does not mediate the relationship between cultural factors and SME development.

SMEs that align with local cultural values will experience greater development through enhanced customer patronage (Higgs & Hill, 2019).

### 2.2.2 Conceptual Frame work

#### Independent Variable





### 3.0 Research Methodology

#### 3.1 Research Design

Quantitative approach was used, and primary data were collected using self-administered questionnaire for analysis purpose.

#### 3.2 Population and Sample of the study

The research population was drawn from scavengers across Kano state. The sampling frame is therefore the entire list of the scavengers totaling four hundred and fifty five (455). The sample size shall be computed based on the Taro Yamane (1967) formula for sample size thus:

$$n = N / (1 + N(e)^2)$$

n = Signifies the sample size

N = the population under study

e = Signifies the margin error (it could be 0.10, 0.05, 0.01)

Therefore, the sample size was computed as follows:

$$n = 455 / (1 + 455(0.10)^2)$$

$$n = 455 / (1 + 455(0.01))$$

$$n = 455 / (1 + 4.55)$$

$$n = 455 / 5.55$$

$$n = 81$$

**3.3 Measures and Scales.** Two variables are used in this study. They are Training and development, employee performance 21 questions of training and development and employee performance. The measurement was adopted from the study of Williams L. J and Anderson S. A. (1991), Hansson B. (2007). All variables were measured using a 5-point likert scale in which 5 represented strongly agree to 1 which is strongly disagreeing.

#### 3.4 Model Specification and Multiple Regressions.

Multiple regressions was used to determine the contribution of waste recycling management (CWRM) on the development of SMEs (DSMEs) in the selected states of Nigeria. The study used regression model for the estimation of dependent variable by the independent variable with community development (CD) and customer support (CS) as patronage factors mediating the relationship which is estimated as follows:

$$DSMEs = 0 + 1CWRM + 2CD + 3CS + \dots \dots \dots (1)$$





## 4.0 Data Presentation and Analysis

**Table 4.1 Questionnaire Distribution and Retention**

| Item                              | Frequency | Percentage (%) |
|-----------------------------------|-----------|----------------|
| Distributed Questionnaires        | 122       | 100            |
| Returned Questionnaires           | 122       | 100.           |
| Rejected(Outliers) Questionnaires | 5         | 10             |
| Retained Questionnaires           | 117       | 94.4           |

**Source: Field Survey, 2024**

### 4.2 RELIABILITY TEST

There are different types of reliability tests, but the most widely used technique in many researches is internal consistency reliability (Litwin, 1995). The Cronbach alpha coefficient test was carried out to measure the internal consistency reliability. Table 4.2 present the summary of the reliability test result.

**Table 4.2 Summary of Reliability TEST**

| Variables              | Number of Items | Cronbach Alpha |
|------------------------|-----------------|----------------|
| Regulatory Framework   | 7               | 0.290          |
| Institutional Capacity | 5               | 0.732          |
| Cultural Factors       | 4               | 0.627          |
| SMEs Development       | 6               | 0.581          |

**Source: Field Survey (2024), Generated from SPSS, 22 Version**

**The regulatory framework ensures regulatory activities, the institutional capacity indicates the ability of the institution and the cultural factors influence the nexus between the variables.**

**Table 4.3 Regression Analysis**

| Model | R                 | R Square | Adjusted R Square( $R^2$ ) | Std. Error of the Estimate | Change Statistics |          |      |     |               |
|-------|-------------------|----------|----------------------------|----------------------------|-------------------|----------|------|-----|---------------|
|       |                   |          |                            |                            | R Square Change   | F Change | df 1 | df2 | Sig. F Change |
| 1     | .483 <sup>a</sup> | .233     | .205                       | 5.31694                    | .233              | 8.223    | 3    | 81  | .000          |

**Table 4.4 ANOVA<sup>a</sup>**

| Model      | Sum of Squares | Df | Mean Square | F     | Sig.              |
|------------|----------------|----|-------------|-------|-------------------|
| Regression | 697.362        | 3  | 232.454     | 8.223 | .000 <sup>b</sup> |
| Residual   | 2289.861       | 81 | 28.270      |       |                   |
| Total      | 2987.224       | 84 |             |       |                   |

a. Dependent Variable: SMEs DEVELOPMENT

b. Predictors: (Constant), REGULATORYFRAMEWORK, INSTITUTIONAL CAPACITY, CULTURAL FACTORS

**Table 4.5 Regression Table**

| Model        | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|--------------|-----------------------------|------------|---------------------------|-------|------|
|              | B                           | Std. Error | Beta                      |       |      |
| 1 (Constant) | 12.892                      | 3.707      |                           | 3.478 | .001 |
| RF           | .094                        | .106       | .094                      | .889  | .377 |
| IC           | .489                        | .218       | .276                      | 2.238 | .028 |
| CF           | .347                        | .190       | .218                      | 1.830 | .071 |

**Source: Generated from SPSS, 22 Version.**

## 5.0 Result and Discussion

$R^2$  of .233 implies that predicting variables (Regulatory Framework, Institutional Capacity and Cultural Factors) under the study were able to account or explain 23% variance in the dependent variable (SMEs Development), while the remaining 77% was not captured by this study. Furthermore, Cohen and Cohen (1988) classify the  $R^2$  into three (3) categories: 0.02 as weak, 0.13 as moderate and 0.26 as substantial.

In view of this classification, the present study  $R^2$  is considered substantial. The results also shows  $R^2$  of .205 which implies that the predicting variables were able to explain 21% variation





in the SMEs Development. The significant F. test of (8.223,  $p < 0.000$ ) signifies the overall significant prediction of independent variables to the dependent variable, which further implies p value of 0.000 in the model fitness in regressing the relationship between factors of waste management and SMEs Development. Therefore, f statistics value measures the strength of regression model with a value of 8.223.

Institutional Capacity is the second variable that best predicts the dependent variable with ( $r = .276$ ,  $t = 2.238$ ,  $P > 0.028$ ), the relationship between Knowledge gained and employee performance can said to be significant with a p-value of 0.028. The result further suggests that institutional capacity will lead to an improvement in SMEs Development. Therefore, the null hypotheses raised that state:

**H<sub>01</sub>:** Patronage factors does not mediate the relationship between regulatory factors and SME development was not supported.

**H<sub>02</sub>** Patronage factors does not mediate the relationship between institutional capacity and SME development was not supported.

**H<sub>03</sub>:** Patronage factors does not mediate the relationship between cultural factors and SME development was not supported.

This result is consistent with results of several studies, such as; Machira et al; (2014); Chowdhury et al., (2013); Mansor& Mat (2010); Okapor&Amalu (2010); Hilton, etal, (2006).

### Findings.

1. The analysis revealed that regulatory factors, such as government policies and tax incentives, have a significant positive impact on SME development. However, this relationship is greatly enhanced when strong customer patronage is present. SMEs that effectively communicate their compliance with regulatory standards tend to attract more local customers, thereby boosting their growth. Conversely, SMEs that fail to engage with their customer base often struggle, even in favorable regulatory environments.
2. The study also indicates that institutional capacity, including access to finance and training programs, positively influences SME development. However, the effectiveness of these institutional supports is significantly mediated by patronage. SMEs that actively cultivate community relationships and customer loyalty are better able to leverage institutional resources, resulting in enhanced performance.
3. Cultural factors, including local traditions and societal norms, have a strong influence on SME development. The analysis highlighted that patronage plays a critical role in this relationship; SMEs that align their practices with cultural values experience increased customer loyalty and support. This cultural alignment not only enhances patronage but also leads to sustainable growth.





## Recommendations.

1. SMEs should invest in marketing strategies that highlight their compliance with regulatory standards to build trust and loyalty among customers.
2. Policymakers should work with SMEs to create clearer, more accessible regulatory frameworks that are easy to understand, fostering customer confidence in compliant businesses.
3. SMEs should prioritize relationship-building with local communities, fostering loyalty that can amplify the benefits of institutional support.
4. Institutions should design programs that not only provide financial support but also include capacity-building initiatives that emphasize customer relationship management.
5. SMEs should actively engage in practices that resonate with local cultural values, such as sustainability and community involvement, to foster customer loyalty.
6. Local governments and organizations should create awareness campaigns that highlight the importance of supporting culturally aligned businesses, thereby encouraging community patronage.

## Conclusion

The study analyzed the pivotal role of patronage factors as mediators in the relationships between regulatory, institutional, and cultural factors of waste management and SME development in Kano State. By focusing on customer engagement, community relationships, and cultural alignment, SMEs can leverage their surroundings to foster growth and sustainability. This integrated approach will not only benefit individual businesses but also contribute to the overall economic development of the region. The study showed that scavenging and waste management if well harnessed, could contribute in poverty reduction and employment generation which is badly needed in Kano state and environs.





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**Roles of Compensation, Feedback, and Job Involvement in the Relationship between Training and Employee Productivity in Nigeria: A Case Study of Power Holding Company of Nigeria (PHCN)**

By

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### Abstract

*This research explores the role of compensation, feedback, and job involvement in the relationship between training and employee productivity in Nigeria. Using Power Holding Company of Nigeria (PHCN) as a case study, the paper examines how these factors mediate and enhance the effectiveness of training programs in boosting employee performance. The study combines both qualitative and quantitative research methods, such as surveys and interviews, to provide insights into the critical mechanisms influencing the effectiveness of training in Nigeria's public sector, particularly in the energy industry. The objective of this research is to examine the impact of various factors such as training, compensation, feedback, and job involvement on employee productivity within a Power Holding Company in Nigeria. The study aims to understand how these factors influence employee productivity. A quantitative research approach is utilized for this study. The target population is 600 employees working in Nigeria's Power Holding Companies. The researcher employs a non-probability sampling technique, specifically random sampling, with a sample size of 150 employees. Data collection is carried out using a survey method with a questionnaire as the instrument. The results show a positive relationship between the different variables and employee productivity. The study supports the hypothesis that training has the most significant and strongest effect on employee satisfaction. The findings suggest that the reliability of the instrument and variables has a beneficial impact on employees working at the Power Holding Company in Nigeria. Findings also emphasize the importance of strategic compensation, timely feedback, and deep job involvement in fostering a productive workforce at PHCN.*

**Keywords:** Training, Feedback, Compensation, Job Involvement, Employee Productivity.

In contemporary organizational settings, employee productivity remains a critical determinant of overall business success (Adeniji & Osibanjo, 2012). As organizations strive for competitive advantage, understanding the factors that contribute to enhanced productivity has become a focal





### 1.0 Introduction

point of research and managerial practice. Among these factors, training, feedback, compensation, and job involvement are frequently identified as key elements that influence the productivity levels of employees (Ali & Rehman, 2020; Chauhan & Sharma, 2021). These components not only shape employees' job performance but also impact their motivation, engagement, and satisfaction, thereby contributing to their overall efficiency and output (Burke & Hutchins, 2017). This introduction delves into the importance of these variables in fostering employee productivity within modern organizations, with a particular focus on the power sector in Nigeria.

Employee productivity has been recognized as a critical determinant of organizational success, particularly in industries that require significant human capital investment. In the case of the Power Holding Company of Nigeria (PHCN), productivity is essential to maintain operational efficiency and achieve organizational goals (Kluger & DeNisi, 1996). The effectiveness of an organization's workforce largely depends on how employees perform their tasks, make decisions, and adapt to changes. As a result, understanding the factors that influence employee productivity is crucial for improving overall performance in the workplace. Recent studies have shown that various factors such as compensation, feedback, and job involvement play a pivotal role in shaping employee productivity, especially in settings where training programs are implemented to enhance skill sets and capabilities (Adeniji & Osibanjo, 2012; Nwachukwu & Igbinomwanhia, 2016; Oladipo et al., 2020).

Training, as a component of organizational development, has been widely acknowledged as a key driver of employee productivity. A well-structured training program not only improves employees' competencies but also boosts their confidence and morale, leading to greater job satisfaction and productivity (Salas et al., 2012; Albrecht et al., 2015; Newell & McNulty, 2021). Moreover, recent research indicates that organizations that invest in employee development through continuous training enjoy higher performance and innovation, thus maintaining a competitive edge in the industry (Kirkpatrick & Kirkpatrick, 2016; Burke & Hutchins, 2017). However, for training to have a meaningful impact on productivity, it must be supported by other organizational elements such as compensation, feedback, and job involvement.

Compensation is another critical factor that influences the relationship between training and employee productivity (Gagne et al., 2015). In the context of PHCN, fair and competitive compensation packages are not only a means of rewarding employees but also serve as a motivating factor that encourages employees to put forth their best effort. According to Deci and Ryan (2000), compensation acts as an extrinsic motivator that can enhance an employee's commitment and engagement, which in turn impacts their productivity levels. Furthermore, compensation packages that include performance-based incentives have been found to significantly improve employee performance and productivity by aligning individual goals with organizational objectives (Gagne et al., 2015; Kwon & Rupp, 2013; Shantz et al., 2021). A study by Albrecht et al. (2015) emphasized that while compensation alone cannot guarantee increased productivity, its strategic use, in conjunction with other motivating factors like feedback and job involvement, can enhance the effectiveness of training programs and overall productivity.

Feedback is another crucial element in enhancing the link between training and employee productivity (González & Gómez, 2021). Constructive feedback serves as a tool for reinforcing





desired behaviors and addressing areas that need improvement. Research has consistently shown that regular and timely feedback not only aids in skill development but also motivates employees to strive for better performance (Hattie & Timperley, 2007; Kluger & DeNisi, 1996; Kluger & Rothman, 2020). Feedback provides employees with a sense of direction and clarity, which is particularly vital after undergoing training programs. (Gagne et al., 2015; Seijts & Latham, 2018; Ong & He, 2020).

Job involvement is a psychological state that reflects the extent to which employees are psychologically invested in their work. (Kanungo, 1982; Saks, 2006; Brown & Leigh, 2019). High levels of job involvement encourage employees to take initiative, demonstrate creativity, and actively engage with their work, all of which contribute to productivity. In the case of PHCN, fostering job involvement is essential for ensuring that employees not only participate in training programs but also actively apply the acquired skills in their roles. Job involvement, combined with training, feedback, and compensation, creates a productive work environment where employees are motivated and equipped to perform at their best (Deci & Ryan, 2000; Kahn, 1990; Bakker & Demerouti, 2008).

### 1.2 Statement of the Problem

Over the past decade, Nigeria's electricity supply companies have emerged as one of the fastest-growing sectors in the country. This rapid growth has brought about significant changes in the industry, particularly in terms of supply, technological advancements, and increasing competition, all of which have led to a rising demand for a well-trained workforce. Employee productivity is typically measured as the ratio of net sales to the total number of employees, which serves as an economic indicator of output per unit of input. Productivity metrics can be assessed at both the macroeconomic level or on a per-industry basis.

PHCN faces challenges in translating training efforts into tangible improvements in employee productivity. This may be influenced by inadequate compensation structures, poor feedback mechanisms, and low job involvement. However, the role of these factors in mediating the effect of training on employee performance remains underexplored in existing literature. Therefore, this study seeks to investigate how compensation, feedback, and job involvement influence the relationship between training and employee productivity at PHCN.

### 1.2 Background of the Study

Training is a fundamental mechanism for improving employee skills and increasing productivity. However, the success of training is often contingent on factors such as compensation, feedback, and job involvement. In Nigeria, despite the regular implementation of training programs in organizations like Power Holding Company of Nigeria (PHCN), employee productivity often remains suboptimal. Training is a key factor in improving organizational productivity. Several studies, including those by Colombo and Stanca (2015), Sepulveda (2014), and Konings and Vanormelingen (2020), have demonstrated that training is an essential and effective tool for achieving a company's objectives, ultimately leading to enhanced productivity. The design of training programs refers to the extent to which training is structured and delivered in a way that equips employees with the skills necessary to apply their learning in the workplace. Holton





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(2000) posits that part of this transfer design is ensuring that training content aligns with job requirements. This research investigates how compensation, feedback, and job involvement mediate the relationship between training and employee productivity in PHCN, one of Nigeria's largest state-owned enterprises in the energy sector.

### 1.3 Objectives of the Study

The specific objective of this study is:

1. To find the relationship of training on productivity of employees in Power Holding Company of Nigeria.
2. To determine how feedback influence the relationship between Training and productivity of employees in Power Holding Company of Nigeria.
3. To examine the role of compensation in the relationship between Training and productivity of employees in Power Holding Company of Nigeria.
4. To investigate the effect of job involvement in the relationship between Training and Productivity of employees in Power Holding Company of Nigeria.

### 1.4 Research Questions

1. What is the relationship between training and employee productivity at PHCN?
2. How does feedback affect the relationship between Training and productivity of employees in PHCN?
3. What is the role of compensation in improving employee performance after training?
4. How does job involvement influence the application of training outcomes in the workplace?

### 1.5 Scope of the Study

This study focuses on Power Holding Company of Nigeria (PHCN) and specifically looks at how compensation, feedback, and job involvement influence the relationship between training and employee productivity. The study will involve employees in both operational and managerial divisions of PHCN, with a sample size of 200 respondents.

### 1.6 Significance of the Study

The findings will provide insights for PHCN and other similar public-sector organizations in Nigeria on how to optimize the effects of training programs. Additionally, it will offer policy recommendations on compensation, feedback practices, and strategies to increase job involvement, which in turn could improve overall employee performance.

## Chapter Two: Literature Review

### 2.1 Employee Productivity





Employee productivity is a critical measure of organizational effectiveness, directly impacting the success and competitiveness of an organization. It is often defined as the amount of work or output produced by an employee relative to the input, such as time, resources, and effort. (Patel et al., 2021; Agwu & Oji-Okoro, 2020). The performance of employees, in turn, is influenced by various factors such as job satisfaction, skill development, and the alignment of personal goals with organizational objectives (Saks, 2020; Karakus et al., 2021). As Nigeria's energy sector faces increasing demands for reliable power supply, enhancing employee productivity through effective management practices, such as training and performance feedback, is crucial for organizational growth (Nwachukwu & Igbinomwanhia, 2020). Productivity is not only a function of individual effort but also the result of organizational support systems that foster employee engagement and motivation (Akinyele & Fasanya, 2020).

### 2.2 Training

Training is a key factor that influences employee productivity, particularly by enhancing employees' knowledge, skills, and competencies. Effective training programs ensure that employees are equipped with the necessary tools to perform their jobs efficiently and adapt to changing work environments. Training programs are integral to enhancing employees' skills and knowledge, which are essential for maintaining competitiveness in an ever-evolving technological landscape. However, without adequate training, employees may struggle to meet the expectations of their roles, impacting overall performance (Robert, 2023). In the Nigerian context, organizations such as the Power Holding Company of Nigeria (PHCN) face challenges related to skill gaps and outdated equipment, which hinder their operational efficiency (Akpan et al., 2021). Research has shown that when training is aligned with organizational goals and industry demands, it fosters improved job performance and reduces skill deficiencies, ultimately benefiting both the employee and the organization (Fayemi et al., 2024).

In Nigeria, organizations like PHCN are increasingly investing in training programs to close skill gaps and enhance workforce performance. Training contributes to employee productivity by improving competencies and motivating employees to apply newly acquired skills in their tasks (Ogunyomi & Bruning, 2021). According to recent research, training also plays a significant role in reducing errors and improving decision-making, which directly contributes to operational efficiency (Okafor et al., 2020). Furthermore, training programs that incorporate the principles of adult learning, motivation, and continuous development have been found to enhance employee retention and reduce turnover, which further benefits productivity (Salas et al., 2020; Albrecht et al., 2021). When employees perceive training as valuable, they are more likely to engage with the program and utilize the learned skills to improve their performance, thus contributing to overall organizational productivity (Baron et al., 2021).

### 2.3 Compensation and Training

Compensation is another crucial factor influencing the effectiveness of training programs and their subsequent impact on employee productivity. Studies show that when employees are adequately compensated for applying new skills gained through training, they are more motivated to perform better (Bashir & Shafique, 2023). Furthermore, a well-structured compensation system that recognizes the contributions of trained employees enhances employee





satisfaction, which is closely linked to improved organizational performance (Olawale et al., 2023).

Research has shown that salary, particularly when tied to performance, can significantly drive employees to increase their efforts and enhance overall productivity. Performance-based compensation systems, such as bonuses or pay-for-performance structures, encourage workers to strive for better output, as higher earnings serve as a motivating factor to produce more and be more creative in their work (Lazear, 2021). This is especially true in settings like Nigeria, where salary structures in certain sectors, such as the power sector represented by organizations like Power Holding Company of Nigeria (PHCN), can determine whether employees remain with their current employer or seek opportunities elsewhere (Kline & Hsieh, 2022). A change in compensation methods—such as shifting from monthly salaries to daily wages—has been shown to directly affect productivity. For instance, studies in Nigerian industries suggest that increasing wages or linking compensation more closely with performance can have a significant impact on the motivation of employees and their subsequent productivity (Bandiera, 2022).

In the Nigerian context, compensation packages are often used to attract and retain skilled workers in the highly competitive energy sector. A study by Gagne et al. (2021) confirmed that well-structured compensation systems can enhance job satisfaction and, ultimately, employee productivity by aligning individual goals with organizational expectations. Moreover, performance-based compensation, such as bonuses or incentive schemes, has been shown to improve employee output by linking pay directly to performance outcomes (Kwon & Rupp, 2021). Recent studies have emphasized the importance of fair compensation practices that consider both intrinsic and extrinsic motivators in promoting high levels of performance and productivity (Saks, 2020; Stojanovic et al., 2021). For organizations like PHCN, offering competitive compensation is vital not only to retain skilled workers but also to foster a culture of excellence and high performance.

### 2.4 Feedback Mechanisms and Training Effectiveness

Feedback not only helps employees assess their progress but also provides managers with insight into training effectiveness and areas requiring further attention (Smith & Johnson, 2021). In Nigerian organizations, where workforce development is still evolving, integrating regular feedback into training programs can significantly enhance the learning experience (Adesina et al., 2024). Feedback systems contribute to continuous improvement, allowing both employees and employers to identify and rectify gaps in training and performance. Additionally, feedback aids in employee motivation, as it reinforces their contributions and encourages them to improve, leading to better productivity (Yusuf & Akinbo, 2021). In Nigeria's energy sector, regular feedback is crucial in ensuring that employees adapt to changes in technology and workplace demands, thus driving improved service delivery and efficiency.

. A study by Hattie and Timperley (2021) demonstrated that feedback, when delivered effectively, can improve both cognitive and non-cognitive aspects of employee performance. In the case of PHCN, where employees are tasked with technically demanding roles, providing regular and actionable feedback is crucial for enhancing productivity. Feedback also allows employees to make necessary adjustments in their work processes, reducing inefficiencies and





errors. According to DeNisi and Kluger (2020), feedback serves as a powerful mechanism for reinforcing desired behaviors and improving performance. Furthermore, feedback fosters employee engagement by offering clear direction and helping employees align their performance with organizational goals (Bakker & Demerouti, 2020). In organizations where feedback is integrated into training and development programs, employees are more likely to achieve higher levels of productivity.

### **Job Involvement**

Job involvement refers to the degree to which employees identify with their work and are psychologically engaged in their tasks. High job involvement is strongly linked to increased productivity as employees who are deeply engaged in their roles are more likely to apply themselves fully, demonstrate creativity, and go beyond the basic requirements of their job (Kahn, 2021; Bakker & Demerouti, 2020).

Moreover, research has indicated that job involvement is closely linked to lower absenteeism and turnover rates (Blau & Boal, 2023). In organizations like PHCN, where retaining skilled employees is a key challenge, fostering job involvement can help reduce turnover rates. Employees who feel deeply involved in their jobs are less likely to seek opportunities elsewhere, as they perceive their job as an essential part of their lives and self-esteem. This high level of job involvement, coupled with training, can lead to enhanced performance and improved productivity, as employees see their roles as valuable and integral to their success and personal fulfillment (Lodahl & Kejner, 2022). Job involvement can be influenced by factors such as organizational culture, leadership style, and the level of autonomy given to employees (Saks, 2021). Recent studies have shown that employees who are more involved in their jobs are more likely to exhibit high levels of performance and contribute to organizational success (Akinyele & Fasanya, 2020; Singh & Kaur, 2021). For PHCN, fostering job involvement is particularly important in the context of a highly technical and service-oriented sector. Employees who feel connected to their roles and recognize the significance of their work are more likely to be motivated to improve performance and contribute to the company's objectives, ultimately driving productivity (Macey & Schneider, 2020).

### **Hypothesis**

Based on previous studies, the present study hypothesizes that:

**H1:** There is a positive relationship between training and of employees in Power Holding Company of Nigeria (PHCN).

**H2:** Feedback positively influences relationship between training and productivity of employees in Power Holding Company of Nigeria (PHCN).

**H3:** Compensation positively influences the relationship between Training and productivity of employees in Power Holding Company of Nigeria (PHCN).

**H4:** Job involvement has positive effect on relationship between training and productivity of employees in Power Holding Company of Nigeria (PHCN).





### 2.5 Theoretical Framework

#### Theories and their Relevance to the Study

##### Human Capital Theory

Human Capital Theory, initially proposed by Becker (1962), posits that investments in training and education are critical for enhancing the skills and capabilities of workers, which in turn leads to increased productivity and performance. According to this theory, human capital—the knowledge, skills, and experience possessed by an individual—can be enhanced through targeted investment in training and development programs. In the context of the Nigerian Power Holding Company of Nigeria (PHCN), the theory suggests that when employees undergo specialized training, they acquire the necessary competencies to improve their technical skills and productivity levels. This direct link between training and productivity underscores the importance of investment in employee development.

For PHCN, applying Human Capital Theory means acknowledging that the provision of technical and non-technical training programs can lead to a more skilled workforce capable of efficiently addressing the operational challenges faced in the energy sector. These improvements in employee competence directly translate into enhanced employee productivity, which is critical for a company dealing with the complexities of energy distribution and management. Additionally, when employees acquire new skills through training, their overall contribution to organizational goals improves, fostering a culture of continuous improvement within PHCN. This aligns with the study's focus on how training, as an independent variable, positively influences employee productivity through enhanced skills and competencies.

##### Social Exchange Theory

Social Exchange Theory, as articulated by Cropanzano and Mitchell (2020), suggests that relationships between employees and their organization are driven by reciprocal exchanges. The theory posits that employees will be more productive and motivated when they perceive that their efforts are met with fair rewards and recognition from the organization. These exchanges can include compensation, career advancement, recognition, and feedback. Employees who feel valued by their organization are likely to reciprocate by increasing their efforts and contributing positively to the organization's goals.

In the case of PHCN, Social Exchange Theory emphasizes the importance of compensation, feedback, and job involvement in motivating employees. When employees perceive that their training efforts lead to tangible rewards—such as performance bonuses, salary increases, or career development opportunities—they are more likely to be motivated to apply the skills learned in training. Additionally, consistent and constructive feedback from managers not only reinforces employees' commitment to their roles but also strengthens the employee-organization relationship, fostering higher productivity levels. Social Exchange Theory is thus highly relevant to the study, as it underscores the role of compensation and feedback in creating an environment that promotes employee involvement and productivity, particularly after the completion of training programs.



For PHCN, employees who feel that their enhanced skills through training are recognized and rewarded are more likely to maintain high levels of engagement and productivity. The theory aligns with the study's focus on how feedback (another key variable in the study) and compensation influence employee behavior and performance after training. When these variables are perceived positively by employees, they are more likely to channel their efforts into improving organizational outcomes.

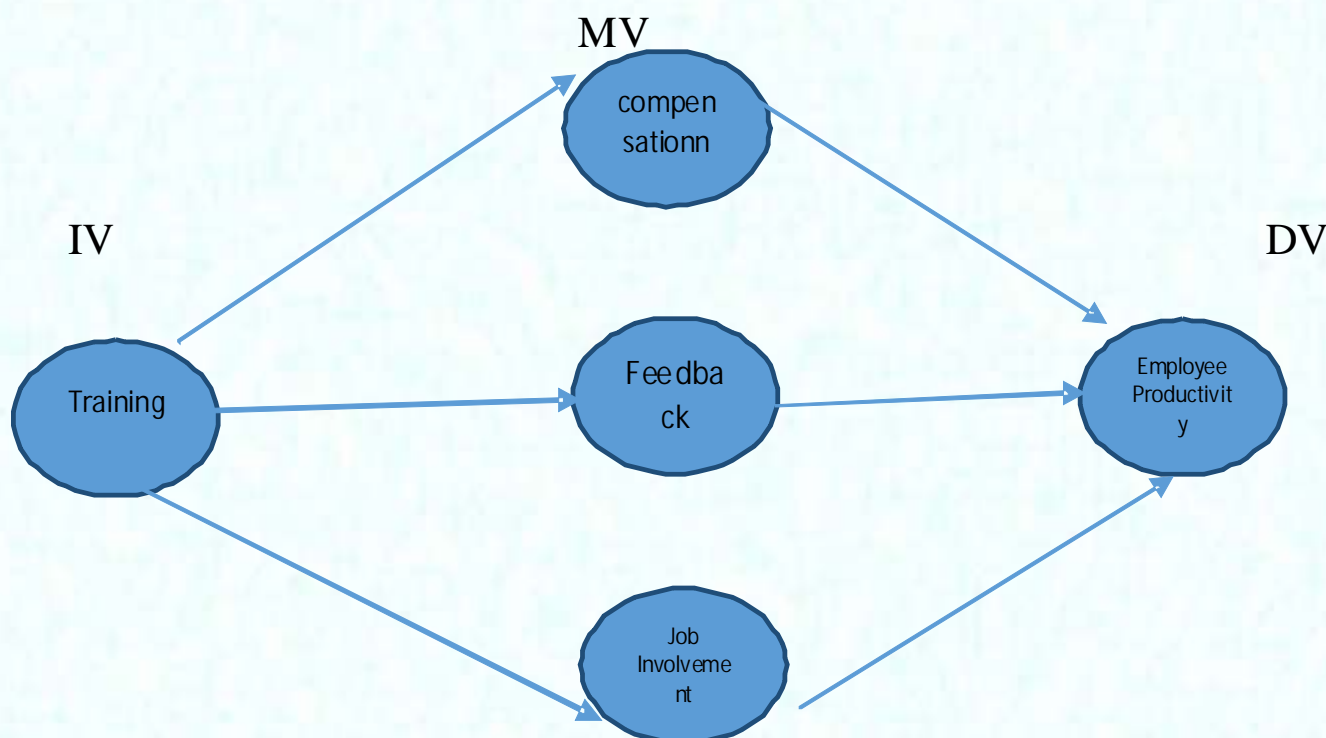
### Vroom's Expectancy Theory

Vroom's Expectancy Theory (2017) posits that employee motivation is driven by the belief that their efforts will lead to desirable outcomes. This theory suggests that employees make decisions based on the perceived likelihood that their efforts will result in rewards or desired outcomes. The theory is centered around three key components: expectancy (the belief that effort will lead to performance), instrumentality (the belief that performance will lead to rewards), and valence (the value of the reward to the employee). In the context of training, expectancy theory suggests that employees will be motivated to apply new skills and knowledge from training if they believe that doing so will lead to favorable outcomes such as increased compensation, career advancement, or job satisfaction.

In the context of PHCN, the application of Vroom's Expectancy Theory can help explain how the company's compensation and feedback systems influence employee motivation and productivity following training. If employees believe that their efforts in applying new skills will lead to tangible rewards (e.g., salary increases, promotions, or recognition), they are more likely to be motivated to work hard and improve their productivity. Furthermore, if they perceive that the training process itself is directly tied to positive rewards such as performance-based incentives or career progression, employees will be more inclined to engage fully with training programs and apply their learning effectively.

This theory is highly relevant to the study as it connects the variables of training, compensation, and feedback to employee productivity. By applying Vroom's Expectancy Theory, the study can explore how employees' perceptions of rewards following training influence their level of involvement and their subsequent productivity. For PHCN, ensuring that training outcomes are linked to clear, desirable rewards is key to sustaining employee motivation and improving organizational performance.

### Research Model







### Researcher's Model (2025)

### 3.0 Methodology.

#### 3.1 Research Design

Research methodology is a structured approach for formulating a research problem, setting clear objectives, and determining methods for data collection, processing, and analysis. In this case, the researcher adopts a quantitative research approach. The research focuses on employees of Nigeria's electricity distribution companies. A non-probability sampling method is employed, with random sampling selected for this study. The sample size for the study consists of 150 employees from these electricity companies. Data is collected using a survey method, where a questionnaire is the main tool. The analysis will be conducted using regression techniques, with the help of SPSS 21.0, and the results will be presented through bar charts and tables.

#### 3.2 Reliability Data Analysis

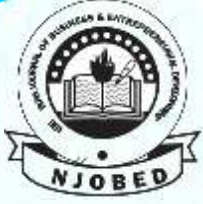
The reliability of the collected data is assessed using Cronbach's Alpha. A value above 0.6 is considered an indicator of a reliable scale. In this study, the internal consistency of the scale used to measure employee productivity and its associated factors is satisfactory, with a Cronbach's alpha coefficient of 0.60. The results show Cronbach's alpha values ranging from 0.618 to 0.641, which confirms that the scale used in this research is reliable. These values exceed the recommended threshold of 0.6, demonstrating that the measurement tools used to assess the research variables are internally consistent and reliable.

| Sr. No | Variables       | No of Items | Alpha Reliability |
|--------|-----------------|-------------|-------------------|
| 01     | Feedback        | 5           | 0.640             |
| 02     | Job Involvement | 6           | 0.621             |
| 03     | Compensation    | 5           | 0.618             |
| 04     | Training        | 5           | 0.641             |

#### Correlation Analysis

Analysis of the correlation matrix indicates that training has a moderately positive relationship with employee productivity  $r=0.064$ , job involvement  $r=0.366$ , feedback  $r=0.025$  and compensation  $r=0.135$ . The positive result implies that better job involvement leads to improved productivity of employees as training  $r=0.366$ , employee productivity  $r=0.312$ , feedback  $r=0.065$  and compensation  $r=0.207$ . The results also indicate that there is a strong, positive correlation between the two variables productivity of employees and compensation factor  $r=0.021$ , training  $r=0.135$ , feedback  $r=0.165$  and job involvement  $r=0.207$ .





| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .410 <sup>a</sup> | .168     | .145              | .38209                     |

a. Predictors: (Constant), Compensation, Training, Feedback, Job Involvement

## 4.0 Findings and Discussions

**Training:** The first hypothesis (H1) in this study examines the impact of training on employee productivity. The hypothesis is supported, as the results show a coefficient value of 0.044 and a significance of 0.666, aligning with previous research findings. This suggests that there is a positive relationship between training and employee productivity, leading to the acceptance of the hypothesis.

**Job Involvement:** The analysis shows a coefficient value of 0.058 and a significance level of 0.000, indicating a strong positive relationship between job involvement and employee productivity. This supports the second hypothesis (H2), confirming a significant positive link between job involvement and productivity.

**Feedback:** With a coefficient value of 0.020 and a significance level of 0.001, the results suggest that feedback has the strongest relationship with employee productivity among all the variables studied. As a result, the third hypothesis (H3) is accepted as true.

**Compensation:** The coefficient value for compensation is 0.043, with a significance level of 0.108. This result shows a positive relationship between compensation and employee productivity, leading to the acceptance of the fourth hypothesis (H4).

Coefficients<sup>a</sup>

| Model |                 | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|-----------------|-----------------------------|------------|---------------------------|--------|------|
|       |                 | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant)      | 5.402                       | .384       |                           | 14.059 | .000 |
|       | Training        | .019                        | .044       | .035                      | .433   | .666 |
|       | Job Involvement | .235                        | .058       | -.335                     | 4.053  | .000 |
|       | Feedback        | .064                        | .020       | .250                      | 3.243  | .001 |
|       | Compensation    | .069                        | .043       | .127                      | 1.616  | .108 |

a. Dependent Variable: Employee Productivity





### 5.0 Conclusion and Recommendations

#### Recommendations

- PHCN should revise its compensation strategy to align it more closely with performance outcomes post-training.
- A feedback-rich environment should be created, with continuous and constructive feedback provided to employees.
- Strategies to increase job involvement, such as fostering a more inclusive and engaging work culture, should be implemented.

#### Conclusion.

The results of the study suggest a promising future for electricity supply companies in Nigeria. Management has already begun taking steps to develop policies aimed at improving employee productivity. At this stage, it is essential to focus on the impact of training on employee productivity. One key finding of the research is that training has a significant effect on the productivity of employees within Nigeria's electricity supply companies. Therefore, it can be concluded that training is crucial for these companies.

The study also highlights that factors such as training, job involvement, feedback, and compensation play a critical role in boosting employee productivity. For employees to fully benefit from training programs, they must be efficient, accessible, and tailored to meet their needs. The research supports the hypothesis that various training factors have a strong and significant impact on employee satisfaction.

Additionally, the study reveals that the relative importance of these factors and the degree of employee productivity significantly contribute to overall performance. A practical implication for Nigerian electricity supply companies is that a positive relationship exists between these factors and employee productivity. The findings emphasize that compensation, particularly how it is structured, is a key factor driving changes in employee productivity. Furthermore, feedback mechanisms are shown to be strongly linked to employee engagement and performance within Nigeria's electricity sector.





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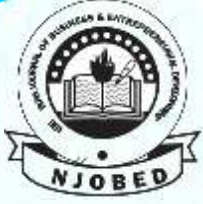


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## ROLE OF RESILIENCE ON THE SUSTAINABILITY OF YOUTH ENTREPRENEURSHIP IN KANO, KANO STATE, NIGERIA

By

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### Abstract

*This study focuses on assessing the role of resilience on the sustainability of youth entrepreneurship in Kano, Kano State, Nigeria. The study was conducted in Kano State using a cross-sectional survey research design. The study population consisted of all registered SME owners in Kano state, totaling 1,794,358 SMEowners, while Taro Yamani's (1967) formula was used to arrive at a sample size of 400. To achieve the study objectives, a structured and closed-ended questionnaire was designed to collect data. Through the aid of Structural Equation Modelling (SEM) using SMART-PLS, the result of the analysis shows that there is a positive and significant effect of adaptability, perseverance, and optimism on the sustainability of youth entrepreneurship in Kano State. It is recommended that government agencies, non-governmental organisations (NGOs), and other relevant stakeholders integrate structured resilience training into youth-focused entrepreneurship programs.*

**Key Words:** Resilience, Sustainability of Youth Entrepreneurship, Adaptability, Perseverance, Optimism.





## INTRODUCTION

Entrepreneurship remains a crucial pillar of Nigeria's economy, with micro, small, and medium enterprises (MSMEs) playing a dominant role. These businesses contribute nearly 49.8% to the nation's Gross Domestic Product (GDP) and account for about 85% of industrial employment across various sectors. They foster innovation and value creation through unique business models and creative problem-solving. Given that youths make up around 70% of the population, entrepreneurship plays a vital role in youth development. However, despite the government's emphasis on youth empowerment and entrepreneurial initiatives, the results have not consistently demonstrated significant developmental progress (Newo et al., 2023).

Young people play a crucial role in shaping and advancing society. They are widely seen as key drivers of innovation, transformation, and future development. However, their journey is often marked by unpredictability, disappointment, and hurdles that can easily hinder their aspirations (Usmonov, 2024). In today's reality, defined by economic challenges, rapid technological change, social disparities, and growing mental health concerns, resilience has emerged as more than just a useful trait; it is an essential tool for survival (Jamatia, 2023). It represents the strength to endure hardship, adapt in the face of obstacles, and emerge more capable after setbacks. Rather than giving in to failure, resilient youth treat it as an opportunity to learn, grow, and redefine their goals (Sitoiu&Panisoara, 2025). Be it academic pressure, job loss, financial strain, or emotional pain, their ability to recover and persist plays a defining role in their future. More than mere recovery, resilience empowers them with the confidence, creativity, and resourcefulness needed to face an ever-changing world with unwavering resolve.

Despite being the most populous country in Africa, Nigeria continues to struggle with widespread youth unemployment. According to the National Bureau of Statistics (NBS), the national unemployment rate stood at 4.2% in the second quarter of 2023, with young people between the ages of 15 and 24 facing an even higher rate of 7.2% (NBS, 2023). This ongoing issue has pushed many young Nigerians to pursue entrepreneurship as an alternative path to financial stability (Muhammad, 2024; Yerima et al., 2024). However, sustaining these youth-led businesses remains a pressing challenge. Data shows that nearly 80% of Small and Medium Enterprises (SMEs) in the country shut down within five years of operation, largely due to





economic instability, limited funding, and inefficient management practices (Punch Newspapers, 2023). This alarming rate of business failure highlights the urgent need for robust support systems and targeted interventions to help young entrepreneurs thrive in a difficult business climate.

Kano State, recognized as a bustling commercial center in Northern Nigeria, has progressively promoted youth entrepreneurship as both a remedy for its persistent unemployment issues and a driver of regional economic development. In response to this potential, several stakeholders, including government bodies, NGOs, and private entities, have introduced programs designed to support aspiring young business owners. Notably, the Sustainable Enterprise Challenge Project, organized by the Centre for Information Technology and Development (CITAD) in partnership with the British Council and Prince's Trust International, provides vital training and tools for youth-led ventures. Similarly, the Kano State government has initiated a ₦ 25 billion loan scheme to stimulate small business growth and entrepreneurial activities (MSME Africa, 2024). Despite these efforts, a significant number of youth enterprises do not survive beyond their third to fifth year, primarily due to a lack of readiness for the volatile nature of business environments. Persistent issues such as limited funding opportunities, inadequate infrastructure, and the absence of resilient business strategies continue to undermine long-term success. This reality prompts a critical inquiry: Is resilience the crucial factor needed to enhance the durability of youth entrepreneurship in Kano State? Building on this premise, the current study seeks to explore how resilience influences the sustainability of youth-led enterprises in the region.

In the same vein, in reviewing prior studies, such as those by Okolo-Obasi et al. (2024), Salami et al. (2023), Chukwuka and Imide (2023), Okolo-Obasi and Uduji (2023), and Adeyanju et al. (2021), it is evident that considerable attention has been given to government interventions, policy frameworks, and institutional support in promoting youth entrepreneurship in Nigeria. However, a noticeable gap persists in the literature regarding the psychological and behavioral dimensions underpinning entrepreneurial sustainability. Specifically, to the best of the researcher's knowledge at the time of this study, no existing research has thoroughly examined the role of resilience, conceptualized through the combined dimensions of adaptability, perseverance, and optimism, in sustaining youth entrepreneurship within Kano, Kano State,





Nigeria. This study therefore seeks to fill this gap by empirically investigating how resilience contributes to the long-term viability of youth-led enterprises in this regional context.

The main objective of this study is to evaluate the role of resilience on the sustainability of youth entrepreneurship in Kano, Kano State, Nigeria. The specific objectives are to:

- i. To what extent does adaptability affect the sustainability of youth entrepreneurship in Kano State?
- ii. To what extent does perseverance affect the sustainability of youth entrepreneurship in Kano State?
- iii. To what extent does optimism affect the sustainability of youth entrepreneurship in Kano State?

Based on the above objectives, the following null hypotheses were derived to guide the study:

- H<sub>01</sub>:** Adaptability has no significant effect on the sustainability of youth entrepreneurship in Kano State.
- H<sub>02</sub>:** Perseverance has no significant effect on the sustainability of youth entrepreneurship in Kano State.
- H<sub>03</sub>:** Optimism has no significant effect on the sustainability of youth entrepreneurship in Kano State.

## LITERATURE REVIEW

### Concept of Resilience

The word resilience, which comes from the Latin *resilire*, which means "to leap back," was first used to characterize a material's ability to withstand shocks without breaking (Charpy, 1901). The ability of people or systems to constructively adapt in the face of adversity has been described by this dynamic, transdisciplinary concept across time (Chukhrii&Kravchuk, 2024; Grygorenko & Naydonova, 2023). Current definitions highlight three essential elements: positive adaptation, optimism, and perseverance (Reyers et al., 2022). Beyond the person, research is increasingly emphasizing protective variables that include organizational, familial, and community support (Mentges et al., 2023; Zeng et al., 2022). Current understanding of resilience challenges previous universalist theories by acknowledging that it is influenced by context and





culture (Raetze et al., 2022). Resilience is best understood as a complex, multifaceted process involving biological, psychological, social, and environmental interactions since empirical evidence supports its critical role in mental health, education, and organizational performance (Métais et al., 2022; Glass et al., 2022). This provides a useful framework for interventions that promote adaptive capacities across a variety of populations

### **Concept of Adaptability**

An important aspect of resilience is adaptability, which Traskevich and Fontanari (2023) define as the capacity of social-ecological systems to adjust responses to shifting internal and external conditions, allowing for sustained development along existing trajectories. According to Sony and Mekoth (2022), adaptability is the ability to successfully adjust mentally, emotionally, and behaviorally to stressful life circumstances. Nakhostin-Khayyat et al., (2024) highlight cognitive and behavioral flexibility as being essential for navigating changing challenges and seizing new opportunities. In the context of entrepreneurship, adaptability is essential for reacting to changes in the market and technological advancements.

### **Concept of Perseverance**

Resilience requires perseverance, which is defined as persistently working toward long-term objectives in spite of obstacles (Abu Bakar et al., 2023). It includes the mental fortitude to bounce back from setbacks without losing motivation. Within entrepreneurship, perseverance manifests as devotion to firm growth despite financial, regulatory, or competitive hurdles (Bittencourt et al., 2025). According to recent research, perseverance fosters persistence in unstable situations, which in turn predicts entrepreneurial success (Haddoud et al., 2025).

### **Concept of Optimism**

Optimism, as a core dimension of resilience, refers to a positive cognitive-emotional orientation that enables individuals to maintain hope and confidence in the face of adversity. It is the capacity to interpret setbacks as temporary and surmountable, thereby fostering sustained motivation and psychological well-being (Biggane, 2024). Zeidan and Prentice (2022) emphasize that optimism aids individuals in appraising challenges as manageable rather than debilitating,





enhancing their adaptive capacity. In the context of entrepreneurship, optimism serves as a catalyst for opportunity recognition and risk-taking behavior, facilitating innovation and proactive responses to market volatility (Carver & Scheier, 2024; Audretsch & Fiedler, 2022). Research further suggests that optimistic entrepreneurs are more likely to persist through uncertainty and mobilize resources creatively, which is essential for sustainable business growth (Luan & Zhang, 2025; Cervellati et al., 2022).

### **Concept of Sustainability in Youth Entrepreneurship**

Sustainability in youth entrepreneurship refers to young business owners' ability to develop, operate, and expand firms economically over time despite hurdles (Avelar et al., 2024). To guarantee business continuity, it entails strategic planning, innovation, and financial stability. According to recent research, sustainability is essential to socioeconomic development, with a focus on the contribution of young entrepreneurship to the creation of jobs and the fight against poverty (Horne & Fichter, 2022; Barba-Sánchez et al., 2022).

### **Empirical Review**

Okolo-Obasi et al. (2024) conducted an extensive quantitative study to evaluate the effects of various government policies on entrepreneurship development and business startups across Nigeria's six geopolitical zones. Using a descriptive research design and several sampling techniques to collect primary data from 1,152 respondents, the study used both descriptive and inferential statistics to examine important policy implications. Multiple regression analysis results show that only the local content initiative had a statistically significant positive impact on the growth of entrepreneurship and startup development among a number of government initiatives, such as export promotion programs, ease of doing business reforms, and local content policies. The results of the study indicate that although the government has worked hard to encourage entrepreneurial ecosystems, more focused interventions could be required to increase the efficiency of existing legislative initiatives in promoting the establishment and sustainability of businesses in Nigeria.





government's involvement in encouraging youth entrepreneurial activity, they employed a descriptive survey approach, collecting primary data through structured questionnaires. The results of the investigation, which included both hypothesis testing and descriptive statistics, showed that entrepreneurship development significantly and favorably affects job creation and young employment outcomes. Supporting entrepreneurial endeavors may be a practical strategy to lower teenage unemployment, according to their findings.

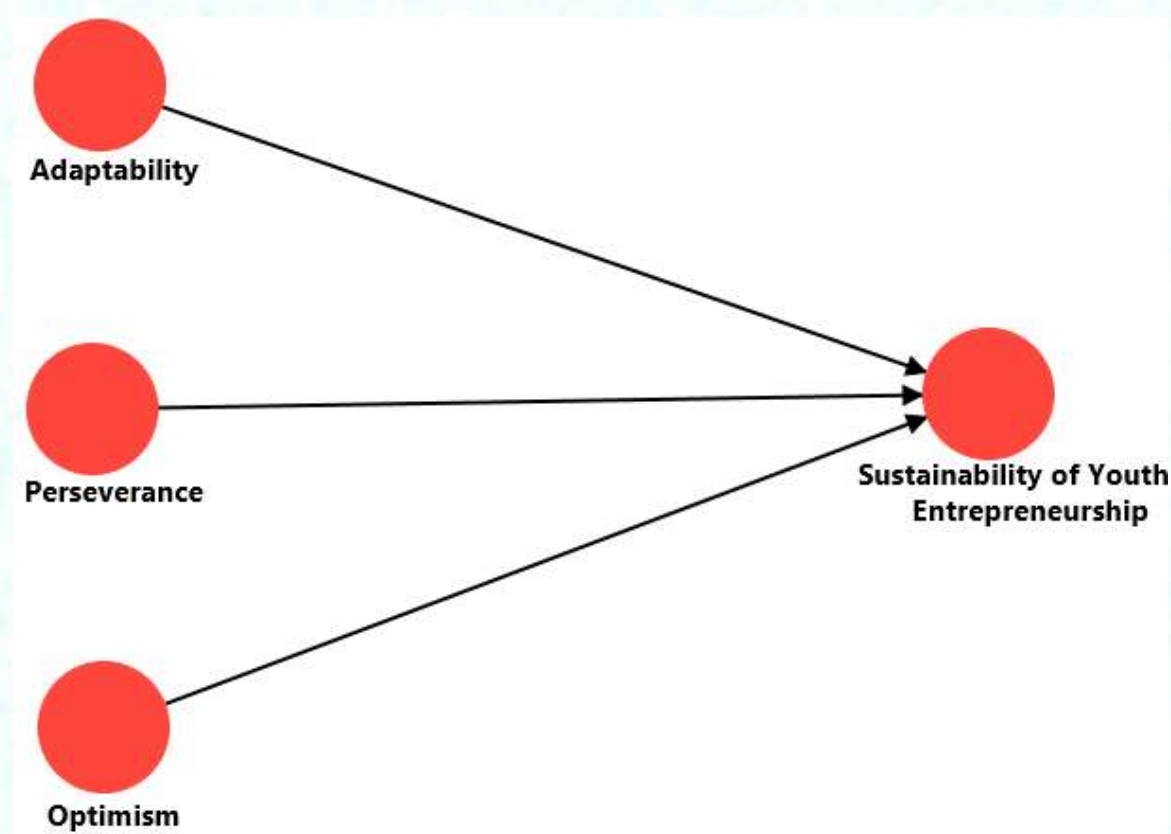
In a similar vein, Okolo-Obasi and Uduji (2023) evaluated how the Agri-Business/Small and Medium Enterprise Investment Scheme (AGSMEIS) affected Nigerian youth entrepreneurship. Using data from 1,200 participants in each of Nigeria's six geopolitical zones, the study combined logit regression and Propensity Score Matching (PSM) as part of a mixed analytical strategy. The findings show that AGSMEIS's enterprise growth greatly aids in the empowerment of young people. The study contends that by growing and improving these initiatives, Nigerian youth might enter self-employment and small business ownership at an even faster pace, hence fostering wider economic growth.

## METHODOLOGY

The study adopted the cross-sectional survey research design. The population of the study consists of the total number of small and medium-scale enterprise owners in Kano State, which was one million, seven hundred and ninety-four thousand, three hundred and fifty-eight (**1,794,358**), which means the SME owner/managers were the same number (**Federal Ministry of Industry, Trade and Investment, 2022**). A sample size of 400 SME owners/managers was determined using Taro Yamani's (1967) formula. Sustainability (independent variable) dimensions (adaptability, perseverance, and optimism) were measured using a five-point Likert scale questionnaire item adapted from the work of Okolo-Obasi et al. (2024). This questionnaire was subjected to validity and reliability tests using the average variance extracted (AVE), convergent and discriminant validity, and the results of the tests were reported in the next section. The questionnaire was designed to collect data, which was self-administered and distributed to the participants by the researchers. In the process of retrieving the questionnaires, 15 were not returned, while 26 were excluded for being invalid for statistical analysis purposes. The final sample size was 359 SME owners, representing 89.75 percent of the main sample. The



study applied the partial least squares-structural equation modelling (PLS-SEM) to analyze the data collected from the respondents. The choice of this technique is based on the fact that it absorbs distributional assumption (i.e, normality) otherwise required when the ordinary least squares (OLS) regression is applied. The model for the PLS-SEM is depicted pictorially below:



**Fig. 1:**Conceptual model of the role of resilience on the sustainability of youth entrepreneurship in Kano, Kano State.

## RESULTS AND DISCUSSIONS

**Table 1:** Response Rate

| Category                            | Frequency | Percentage |
|-------------------------------------|-----------|------------|
| Distributed copies of questionnaire | 400       | 100%       |
| Returned copies of questionnaire    | 359       | 89.75%     |
| Unreturned copies of questionnaire  | 15        | 3.75%      |
| Unusable copies of questionnaire    | 26        | 6.5%       |
| Usable copies of questionnaire      | 359       | 89.75%     |

**Source:**Researchers' Initiative, 2025

As detailed in Table 1, the final usable response rate is 89. 75 percent. According to Hair *et al.*, (2010), a 30percent response rate is acceptable for surveys. Thus, by complying with the recommended suggestions, the available 359 responses (89.75 percent) qualify the required sample size to further conduct regression analysis





**Table 2 Descriptive Statistics for the Study Variables**

| Variables                                | N   | Mean  | Std. Deviation |
|--|-----|-------|----------------|
| Adaptability                             | 359 | 3.732 | 0.527          |
| Perseverance                             | 359 | 3.945 | 0.495          |
| Optimism                                 | 359 | 4.101 | 0.538          |
| Sustainability of Youth Entrepreneurship | 359 | 3.215 | 0.641          |

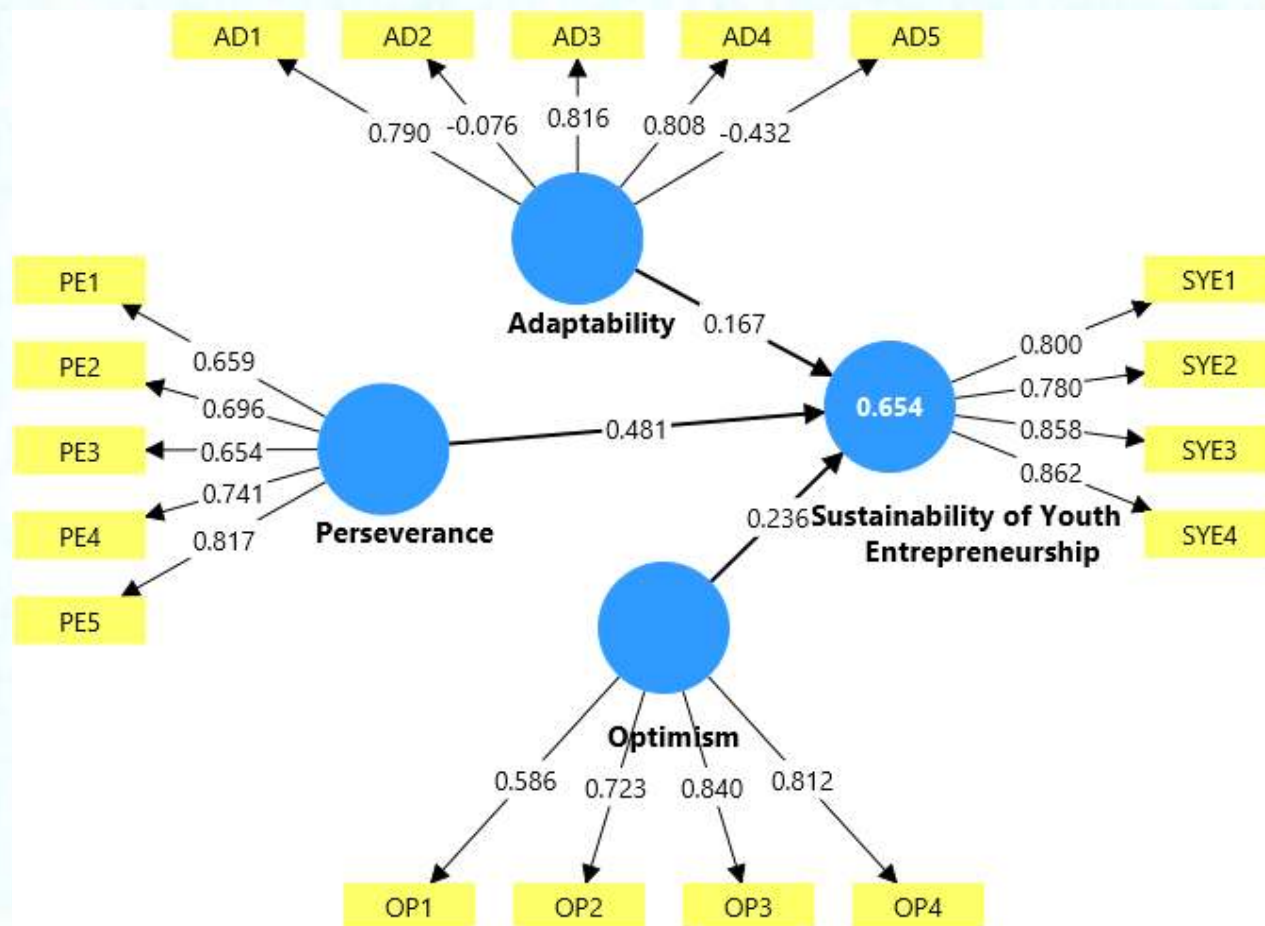
**Source:** Smart PLS Output, 2025

Based on the descriptive analysis of the constructs presented in Table 2, the overall situation with regard to the relationship between resilience and sustainability of youth entrepreneurship among the SMEs owners/managers in Kano state could be understood. From the findings generated in Table 2, the mean score reported for the resilience dimensions ranged from 3.732 (adaptability) to 4.101 (optimism), revealing that the resilience among SMEs owners/managers in Kano state is relatively high. The highest mean score reported among the resilience dimensions is optimism, with a standard deviation value reported at 0.538. This implies that most of the SMEs owners/managers tend to prefer optimism due to their previous difficulties and experience. Meanwhile, the mean score reported for adaptability is the lowest among resilience dimensions, with a standard deviation value reported at 0.527. This implies that adaptability is less utilized by SME owners/managers in ensuring sustainability of their business, and is the weakest among the three resilience dimensions. Nevertheless, the mean score of 3.732 reported for adaptability is still well above average, which indicates that adaptability, if implemented, will have a strong impact on the sustainability of entrepreneurship among the SMEs owners/managers in Kano state.

### Assessment of Measurement Model

As stated in the preceding chapter, this study used PLS Structural Equation Modelling (SEM) to calculate its theoretical model using the software application Smart PLS (Hair *et al.*, 2013). In PLS analysis, the first step is to evaluate the measurement model, or the outer model. The measurement model assessment includes defining reliability of individual item, reliability of internal consistency, convergent validity and validity of discriminant (Hair *et al.*, 2013).





**Figure 2:** Initial *Measurement Model*

Figure 2 above shows the initial measurement model. It can be seen that not all the outer loadings of each variable's measure items meet the Hair et al. (2014) recommendation of 0.70 or above. Six items did not load up to 0.7: 2 measurement items of adaptability, 3 measurement items of perseverance, and 1 measurement item of optimism.

**Figure 3:** *Modified Measurement Model*

Figure 3 above shows the modified measurement model. It can be seen that all the outer loadings of each variable's measure items meet the Hair et al. (2014) recommendation of 0.70 or above.

### Individual Item Reliability

The first criterion for the reflective measurement model is the assessment of individual item reliability, which is usually measured by assessing the outer loadings of each variable's measure (Hair et al., 2014). Based on Hair et al.'s (2014) rule of thumb, an indicator with a 0.70 outer loading is reliable and acceptable for a previously developed scale.

Table 3 below and Figure 3 above show that after deleting 6 items, the remaining 12 had outer loading values of 0.70 and above. Based on the suggestions of Hulland (1999) and Hair et al. (2011) to delete items that substantially increase composite reliability and average variance





extracted (AVE), only 6 outer loading items with below 0.70 loadings were dropped, making 12 items retained for further analysis (refer to Figure 3 above and Table 3 below).

*Table 3 Measurement Model: Reliability and Convergent Validity*

| Construct                                 | Item | Loadings | AVE   | CR    |
|---|------|----------|-------|-------|
| Sustainability of Youth Entrepreneurship. | SYE1 | 0.800    | 0.682 | 0.895 |
|   | SYE2 | 0.779    |       |       |
|   | SYE3 | 0.858    |       |       |
|   | SYE4 | 0.862    |       |       |
| Adaptability                              | AD1  | 0.814    | 0.678 | 0.863 |
|   | AD3  | 0.829    |       |       |
|   | AD4  | 0.826    |       |       |
| Perseverance                              | PE4  | 0.879    | 0.800 | 0.889 |
|   | PE5  | 0.909    |       |       |
| Optimism                                  | OP23 | 0.780    | 0.658 | 0.852 |
|   | OP34 | 0.824    |       |       |
|   | OP45 | 0.763    |       |       |

**Source:** Smart PLS Output, 2025

SYE= Sustainability of Youth Entrepreneurship, AD= Adaptability, PE=Perseverance and OP= Optimism.

### Multicollinearity Test

Multicollinearity is a problem that occurs when the independent variables are extremely interrelated to as high as 0.9 and above (Tabachnick&Fidell, 2007). For this study Multicollinearity test was conducted using correlation matrixes for the independent variables, tolerance values and variance inflation factors (VIF). According to Hair et al. (2014), a tolerance level of 0.20 and below or a VIF value of 5 and above indicates the presence of multicollinearity among variables. From Table 4, it clearly shows that tolerance ranges between 0.307 – 0.371, considerably > 0.20. Similarly, VIF ranges from 1.481 – 1.832, and, thus, is good enough as





being  $< 5$ . Consequently, it is concluded that there is no multicollinearity problem among the exogenous variables.

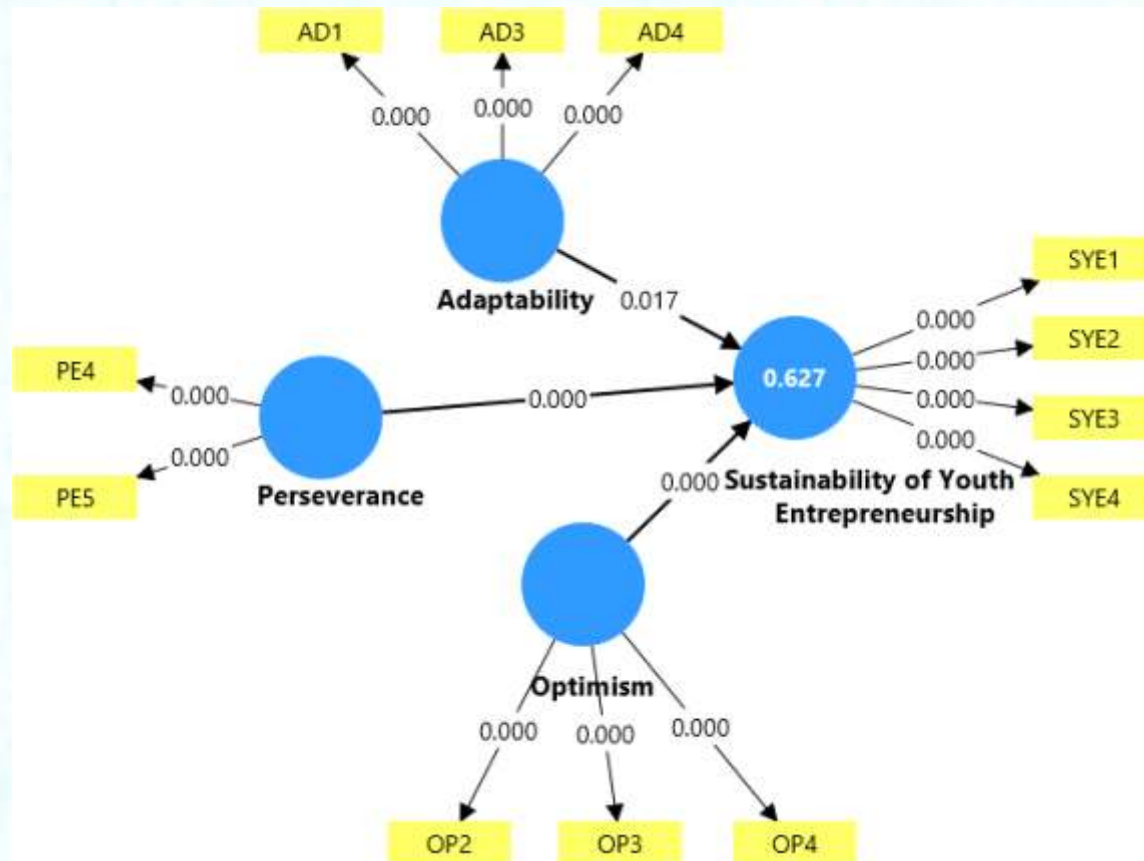
Table 4 Multicollinearity Test: Tolerance and VIF (n=221)

| Exogenous Variables | Collinearity Statistics |       |
|---------------------|-------------------------|-------|
|                     | Tolerance               | VIF   |
| Adaptability        | 0.307                   | 1.481 |
| Perseverance        | 0.371                   | 1.619 |
| Optimism            | 0.326                   | 1.832 |

**Source:** Smart PLS Output, 2023

### Assessment of the Structural Model

Having confirmed that this study's measurement models (inner model) are reliable and valid, this section evaluated the structural model. This research used the standard bootstrapping technique with a sample size of 5000 bootstrap samples and 359 cases to evaluate the significance of the path coefficients (Hair *et al.*, 2013). The structural model of this study is composed of four latent constructs, namely; adaptability, perseverance and optimism as independent variables and sustainability of youth entrepreneurship as the dependent variable (see Figure 4). The structural model usually confirms the level to which the empirical data collected support the existing theories (Hair *et al.*, 2014). That is, its evaluation is mainly used to determine the explanatory power of the research model and to test the developed hypotheses. Hair *et al.* (2014) recommended that the structural model can be generally assessed through test for collinearity issues, significance of relationships among the constructs, evaluation of the  $R^2$ , effect sizes and assessment of the predictive relevance  $Q^2$ . Notably, the key assessment tests of the structural model are the  $R^2$  values of endogenous constructs and the level and significance of the path coefficients.



**Figure 4:** Bootstrapping (Direct Relationships)

*Table 5 Structural Model: Test of Significance for Direct Relationships*

| H <sub>0</sub>  | Relationship | Beta | SE   | T Statistics | P-Value | Statistically Significant | Decision |
|-----------------|--------------|------|------|--------------|---------|---------------------------|----------|
| H <sub>01</sub> | AD -> SYE    | 0.16 | 0.06 | 2.387        | 0.017   | Yes                       | Rejected |
| H <sub>02</sub> | PE -> SYE    | 0.37 | 0.07 | 5.201        | 0.000   | Yes                       | Rejected |
| H <sub>03</sub> | OP -> SYE    | 0.35 | 0.07 | 4.963        | 0.000   | Yes                       | Rejected |

t- Value > 1.96; p-value < 0.05; AD = Adaptability, PE = Perseverance, OP = Optimism and SYE = Sustainability of Youth Entrepreneurship

**Source:** Smart PLS Output, 2025

The result of bootstrapping has shown that H<sub>01</sub>, H<sub>02</sub> and H<sub>03</sub> are statistically significant and the relationship is positive. From the Table 5, the statistical analysis has proved that Adaptability is significantly affects Sustainability of Youth Entrepreneurship ( = 0.16, T Statistics > 1.96), Perseverance significantly affects Sustainability of Youth Entrepreneurship ( = 0.37, T Statistics > 1.96), and Optimism significantly affects Sustainability of Youth Entrepreneurship ( = 0.35, T Statistics > 1.96). In summary, all the direct relationships between the independent variables and the dependent variable are significant based on the statistical data of this study, and all three null hypotheses were rejected.





## Predictive Relevance for Direct Relationships

The predictive power ( $Q^2$  values) of each exogenous variable on the endogenous variables was computed using the suggestions of Stone (1974) and Geisser (1974) through blindfolding procedures (Chin, 2010; Hair *et al.*, 2014) (see Figure 6). According to Chin (2010), the value of  $Q^2$  of a particular construct greater than zero indicates that the model has properly reproduced the manifest values specifying its predictive relevance.

*Table 6 Predictive Relevance  $Q^2$  Value for Direct Relationships*

| Endogenous Construct                     | SSO     | SSE     | $Q^2 (=1-SSE/SSO)$ |
|--|---------|---------|--------------------|
| Sustainability of Youth Entrepreneurship | 947.000 | 781.251 | 0.187              |

**Source:** Smart PLS Output, 2025

The predictive relevance of this model was assessed for the endogenous variable (i.e., the Sustainability of Youth Entrepreneurship), which was reflectively measured using blindfolding procedures following the suggestions of scholarly experts (Chin, 2010; Hair *et al.*, 2012). The  $Q^2$  result of the Sustainability of Youth Entrepreneurship, as shown in Table 6 above, was 0.187. This value is above the threshold value of zero, confirming the predictive power of the model.

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

The findings revealed that all three dimensions have a statistically significant and positive influence on the sustainability of youth-owned businesses. In light of these findings, the study concluded that, entrepreneurial success cannot be attributed solely to financial capital or infrastructural support. Rather, internal psychological resources such as the ability to adapt to change, persist through adversity, and maintain a hopeful outlook are equally vital to ensuring long-term sustainability.

Successively, this study advances our understanding of entrepreneurial resilience by providing a novel theoretical framework that operationalizes it through adaptability, perseverance, and optimism. It offers fresh empirical perspectives on how young entrepreneurship in Kano,



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Nigeria, which has received little attention in previous resilience studies, might be sustained. The study also provides up-to-date information on the influence of internal psychological qualities on entrepreneurial sustainability through the use of a strong quantitative technique. Additionally, research highlights how crucial non-monetary interventions, like programs that foster resilience and psychological support, are to government and non-profit initiatives aimed at young entrepreneurs. Future studies that replicate or broaden the resilience-sustainability paradigm in various sectoral or geographic contexts will also benefit from the findings.

However, based on the findings of this study, the following recommendations are made:

- i. Government agencies, non-governmental organizations (NGOs), and other relevant stakeholders should integrate structured resilience training into youth-focused entrepreneurship programs.
- ii. It is strongly recommended that structured mentorship and peer-support platforms be developed. Such initiatives should connect young entrepreneurs with experienced business owners and resilience coaches who can provide guidance, emotional support, and practical strategies for overcoming business-related obstacles.

Policymakers should consider incorporating psychological resilience into existing and future youth entrepreneurship support schemes. While financial capital and business infrastructure remain critical, there is an urgent need for policies that also emphasize non-financial support, such as mental toughness, adaptive thinking, and emotional regulation.





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### RESEARCH QUESTIONNAIRE

The questionnaires consist of three sections, as shown below, each focusing on the role of resilience on the sustainability of youth entrepreneurship in Kano. The first part relates to the respondents' demographic variables. The second section is on resilience (dimensions of resilience). The third section focuses on the sustainability of youth entrepreneurship (dependent variable).

#### Section 1: Demographic Data

1. Gender: Male ( ) Female ( )
2. Age bracket: 18-25years ( ) 26-33years ( ) 34-41years ( ) 42-49years ( )  
50years and above ( )
3. Education: WASEC/TEC11 ( ) OND/NCE ( ) B.A./B.Sc./HND ( )  
MA./M.Sc./MBA ( ) PhD ( ) Others .....please specify
4. Year of Business Establishment: 1-5years ( ) 6 -10years ( ) 11-15years ( ) 16-  
20years ( ) 21years-Above ( )

#### Section 2: Resilience

Note: SA= Strongly Agree A= Agree U= Undecided SD=Strongly Disagree D= Disagree

|  |              |    |   |   |   |    |
|--|--------------|----|---|---|---|----|
|  | Adaptability | SA | A | U | D | SD |
|--|--------------|----|---|---|---|----|





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|     |   |  |  |  |  |  |
|-----|---|--|--|--|--|--|
| AD1 | I can quickly adjust my business strategies in response to unexpected market changes.             |  |  |  |  |  |
| AD2 | I easily adapt to new technologies and business tools relevant to my industry.                    |  |  |  |  |  |
| AD3 | When customer needs change, I am able to modify my products or services accordingly.              |  |  |  |  |  |
| AD4 | I am open to experimenting with new ideas to improve my business operations.                      |  |  |  |  |  |
| AD5 | I effectively manage changes in government policies or economic conditions affecting my business. |  |  |  |  |  |
|     |   |  |  |  |  |  |
|     | <b>Perseverance</b>   |  |  |  |  |  |
| PE1 | I remain committed to my business goals even during tough economic periods.                       |  |  |  |  |  |
| PE2 | I continue to push forward with my business despite repeated challenges.                          |  |  |  |  |  |
| PE3 | I rarely consider quitting my business, no matter how difficult things become.                    |  |  |  |  |  |
| PE4 | I make consistent efforts to overcome obstacles affecting my business growth.                     |  |  |  |  |  |
| PE5 | I keep working towards success even after experiencing business failure or loss.                  |  |  |  |  |  |
|     | <b>Optimism</b>   |  |  |  |  |  |
| OP1 | I believe that my business will grow and succeed in the near future.                              |  |  |  |  |  |
| OP2 | I see challenges as temporary setbacks rather than permanent problems.                            |  |  |  |  |  |
| OP3 | I remain positive about the future of my business, even in uncertain times.                       |  |  |  |  |  |
| OP4 | I am hopeful that my business will recover from any loss or downturn.                             |  |  |  |  |  |

### Section 3: Sustainability of Youth Entrepreneurship

Note: SA= Strongly Agree A= Agree U= Undecided SD=Strongly Disagree D= Disagree

|  |   |           |          |          |          |           |
|--|---|-----------|----------|----------|----------|-----------|
|  | <b>Sustainability of Youth Entrepreneurship</b> | <b>SA</b> | <b>A</b> | <b>U</b> | <b>D</b> | <b>SD</b> |
|--|---|-----------|----------|----------|----------|-----------|



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|      |   |  |  |  |  |  |
|------|---|--|--|--|--|--|
| SYE1 | I believe my business can survive and grow for the next five years or more.   |  |  |  |  |  |
| SYE2 | I have implemented strategies that ensure long-term success of my enterprise. |  |  |  |  |  |
| SYE3 | I reinvest profits back into the business to promote sustainability.          |  |  |  |  |  |
| SYE4 | I continuously innovate to stay competitive and relevant in the market.       |  |  |  |  |  |





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**EFFECT OF GOVERNMENT INTERVENTION ON THE PERFORMANCE OF  
SMALL AND MEDIUM ENTERPRISES IN KANO STATE**

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*The study focus on the assessment of the effect of government intervention on the performance of small and medium enterprises in Kano state was based on specific objectives, which were to determine the effect of tax subsidies on the performance of SMEs in Kano state, to investigate the effect of training on the performance of SMEs in Kano state, and establish the effect of financing on the performance of SMEs in Kano state. The study employed a cross-sectional research design. The population of the study comprised two thousand eight hundred twenty-five (2,825) registered SMEs in Kano state, and the study utilized Taro Yamani's formula for sample size determination to arrive at a sample of 350. At the same time, a convenience sampling technique was employed for sample size selection. Primary data was collected using a structured five-point Likert scale questionnaire. The results of the analysis revealed that tax subsidies, training, and financing each have a positive and significant effect on the performance of SMEs in Kano. The study further recommended that the SMEs owners in Kano state, SME owners should actively seek and take full advantage of tax relief programs or subsidies offered by the government, invest in consistent training programs for employees, and actively explore multiple financing sources beyond traditional bank loans, such as government grants, microfinance, and venture capital.*

**Keywords:** *Government Intervention, Performance of SMEs, Tax Subsidies, Training, Financing*





## 1.0 Introduction

Small and medium enterprises (SMEs) appear to have been as the essential impetus to economic growth and development in every economy around the world. Organization for Economic Co-operation and Development (OECD) (2017) highlights that SMEs can provide substantial contributions to the United Nations Sustainable Development Goals through employment generation, sustainable industrialization, innovation nurturing, and income disparity reduction, and crucial to such aspirations and endeavors are the financial performance and sustainability of SMEs (Bartolacci et al., 2020). Especially in developing countries like Nigeria, as they are seen to represent an engine of growth and catalyst of socio-economic development of any state. The experience of developed economies in relation to the roles played by small and medium enterprises emphasizes that the importance of entrepreneurship cannot be over deliberated especially among the developing countries. In order to highlight its importance in relation to the growth and development of a given economy, SMEs has been referred to as a source of wealth and employment generation". SMEs are one of the main essentials of economic growth. SMEs are recognized as the dynamic force of high speed of occupation, engagement enhanced standard of living, production of value-added product, services and largely the originator of strong economies (Naradda et al., 2021). Since independence, every regime recognizes the importance of promoting small and medium enterprise as the basis of economic growth and development.

In this context of organizational performance, it is a measure of the change of financial state of an organization or the financial outcomes that result from management decisions and the execution of those decisions by members of the organization. Due to contextual perceptions of outcomes, the performance measures are selected in light of the context of the organization(s) being observed. (Bosire & Muturi, 2020). The measures selected represent the outcomes achieved, either good or bad. Bosire and Muturi (2020) indicated that, numerous approaches of measuring business performance include changes in turnover, productivity, employment, sales, profit, and total assets.

When compared to sales, employment is believed to be more reliable and volatile. Goel and Rishi (2019) used multiple performance criteria to undertake 50 case studies on small business units in Asia, Africa, Europe and America. The survey discovered that employment growth, sales growth, profitability growth, income growth, and asset expansion were the most common performance measures. Cheung (2018) investigated how to assess the performance of micro and





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small businesses. The findings showed that owners managers employ a hybrid approach to evaluate performance against defined goals and time frames, including non-monetary and monetary indicators. Due to their worries about meeting non- financial and financial returns, shareholders of these SMEs employ different method to evaluate success. Government intervention plays a pivotal role on the performance of small and medium enterprise (SMEs). Olayemi (2022) and Yonis (2018) both found that government support programs can promote growth and innovation in SMEs, as well as improve their human capital development and employment opportunities.

Subsequently, in Nigeria, the most worrisome of the monumental challenges that SMEs face is funding, small and medium businesses lack easy access to credit facilities despite the various government support and various programs through government ministries, micro finances institutions, Nigeria Industrial estates, banks, venture capitalists, and other informal /personal sources. The various ways that SMEs can acquire funds are through savings mobilization, table banking, soft loans, asset financing, local purchase order financing, and forming merry-go-rounds (National Industrialization Policy, 2022). Kithae et al., (2018) revealed that for SMEs to put in practice the new entrepreneurial skills learned, adequate finance should be available forthe implementation.

As a result, several specialized financial institutions in charge of micro-credit and policy instruments were established to enhance the development of SMEs. They include Nigeria Bank for Commerce and Industry (NBCI) National Economic Reconstruction Fund (NERFUND), Bank of Industry (BOI) among others. They were established to provide monetary and fiscal support for small and medium enterprises. The establishment of the Social Intervention Programme (SIP) by the past president BuhariMuhammodu led administration in year 2016 includes Government Enterprises Development Agency of Nigeria (SMEDAN),Entrepreneurship Development Policy (EDP), Industrial Development Centers (IDC), Small and Medium Enterprises EquityInvestment Scheme (SMEEIS), amongothers. Theywereintroduced tooffertechnicalandfinancialassistancetoSMEs.

The role of government interventions on small and medium enterprises performance cannot be over emphasized. When we look at Nigerian economy it shows that greater consideration and encouragement should be given to small and medium enterprises. Despite various government interventions aimed at supporting small and medium enterprises (SMEs) in Kano, Nigeria, the





impact of these interventions on the performance and sustainability of SMEs remains unclear. SMEs play a crucial role in driving economic growth, job creation, and poverty reduction in Kano State. However, they face numerous challenges, including limited access to finance, inadequate infrastructure, and unfavorable regulatory environments. Government interventions, such as financial support schemes, capacity-building programs, and regulatory reforms, are implemented to address these challenges and promote the growth of SMEs.

However, the effectiveness of these interventions in improving the performance and competitiveness of SMEs in Kano has not been adequately assessed. In the same vein, prior studies have investigated government intervention and SMEs performance. For instance, Ayozie (2020) analyzes the influence that government involvement has on the relationships between entrepreneurial networks and firm performance. The study found that when creating and implementing any entrepreneurship program, government involvement should consider entrepreneurial networking. Aliyu (2021) examined the impact of government involvement on the growth of small and medium-sized businesses. Findings show that the development of small-scale enterprises is being inhibited despite several specialized institutions providing micro credit and policy instruments designed to promote it due to the gap between the effective implementation of policy and the achievement of sustainable development.

Ezeilo and Ike (2024) investigated government intervention policies and their effects on the performance of Small and Medium Scale Enterprises (SMEs) in Nigeria, with a particular focus on SMEs operating in Asaba, Delta State. Their study found that government taxation policy and volatile foreign exchange rates have a significant and positive influence on the performance of SMEs, while government infrastructural provisions have no significant influence on SMEs' performance. Yunusa et al, (2023) appraised the impact of government intervention on small scale enterprises in Dekina Local Government Area of Kogi State. The findings of their study revealed that there is a positive relationship between government intervention and the growth of small-scale business enterprise in Dekina Local Government Area, Kogi State. Aregawi and Patnaik (2023) evaluated the impact of government intervention on the small manufacturing Enterprises innovation level in Tigray, Ethiopia. The result of the analysis found that the intervention of the program has a positive effect on innovation process dimension.



However, to the best of researcher's knowledge, none of these prior studies have specifically used the combined effect of subsidies, financing and training to investigate the effect of government intervention on performance of SME in Kano state.

Therefore, there is a need to understand how different government interventions impact the performance of SMEs in Kano, including their effects on business growth, innovation, job creation, and overall sustainability. By identifying the strengths and weaknesses of current interventions, policymakers can develop more targeted and effective strategies to support SMEs and promote economic development in Kano State. The effectiveness of government interventions in enhancing the performance of SMEs in Kano is not well understood, leading to a gap in knowledge regarding the most appropriate strategies for supporting SMEs in the region.

Despite the implementation of various government policies and programs to support small and medium enterprises (SMEs), many SMEs still face challenges that hinder their growth and development, highlighting the need for more effective approach to government intervention.

Therefore, this study aims to investigate the effect of government intervention on the performance of small and medium enterprises in Kano state, with a focus on identifying the most effective strategies for supporting SMEs in the region. However, the specific objectives are;

- i. To determine the effect of tax subsidies on the performance of SMEs in Kano state.
- ii. To investigate the effect of training on the performance of SMEs in Kano state
- iii. To establish the effect of financing on the performance of SMEs in Kano state.





## 1.0 Literature

### Concept of Performance of Small and Medium Enterprises.

SMEs' performance refers to the outcomes of firms' business activities (Kotane & Kuzimina-Merlino, 2017). The success of the organization can be defined as firm performance. It is measured in fulfilling the goals and objectives of the organization to achieve the desired outcome. Firm performance can be defined as the combination of two distinct domains: financial and non-financial performance (Ukko et al., 2019). Indicators of owner/manager happiness, customer satisfaction, reputation, and market share are all considered non-financial performance (Kiani et al., 2012). Financial indicators include profit and growth (Panigyrakis et al., 2007, as cited in Esuh, 2012). The measures on profitability are return on assets, return on investment and earnings per share; the measure on growth are sales, employment and business revenue (Monday et al., 2014).

Performance is the key interest of each business owners/managers. However, performance is measured as the outcome that is generated by the firm input. Business performance defines the extent to which the target task of the business was accomplished in comparison to the final output at the end of a business period (Yildiz et al., 2014). Business performance can be described depending on the success level of the firms in fulfilling their objectives. Mark and Nwaiwu (2021) added that business performance entails how well the business enterprise is managed in terms of the value perceived by customers in relation to the organization's delivery and other stakeholder should be acknowledge when defining performance. The SMEs firm performance is regulated along the lucky outcome of firms in the market, each domestically, and globally.

### Government Intervention

Government plays a critical role in shaping the success of SMEs. The government is already helping SMEs by providing financing, promotion, developing capacity, marketing, and through many other aid programmes under various Ministries and agencies. Government interventions refers to actions taken by the state to influence economic activities, social welfare, or public policy outcomes. According to Akwu (2023), this refers to several efforts made by the government in diverse ways in order to encourage the growth, survival and full participation of SMEs in the socio-economic development. These interventions can take various forms, including regulatory measures, fiscal and monetary policies, subsidies, public investments, and social programs. Acemoglu & Robinson (2012) posits it to policies implemented by the state to





influence economic activities, such as regulations, taxes, subsidies, and public spending. These interventions are aimed at promoting economic development, social welfare, and stability within a society. Scholars of the facilitation school believe that government intervention, as a positive signal, motivates enterprises to carry out R&D activities (Guo et al., 2018). Government intervention in enterprises' R&D activities is mainly supported by formulating various fiscal and financial policies and adopting policy tools such as government subsidies and tax incentives (Yang et al., 2019).

### **Tax Subsidies**

Slemrod (2018) views tax subsidies as government interventions that use the tax code to achieve specific policy objectives, such as promoting economic growth, investment, or social welfare. Tax subsidies can have implications for income distribution, economic efficiency, and overall tax policy design. Gale (2022) describes tax subsidies as implicit or explicit tax preferences that result in lower liabilities for certain tax payers compared to a neutral tax system. These subsidies can distort economic decision-making, favoring certain activities over others and leading to inefficiencies in the allocation of resources. Tax subsidies are provisions in the tax code that result in reductions in tax liabilities for certain individuals, businesses or activities (Batchelder, 2017).

### **Training**

Business training program is created to provide an alternate route to gainful employment for economically disadvantaged individuals through the establishment of their businesses. Despite the importance and prevalence of small and medium-sized firms in economies around the world, there is very little research on how such firms train and develop their employees, despite repeated calls over many years (Cardon & Stevens, 2004). There is an assumption that training is a good thing for firms and will enhance individual and organizational performance. In most developing countries and Nigeria in particular, successive governments have initiated various development programmes aimed at improving the business models of SMEs by way of training business owners on how to take business risks, develop business skills, undergo mentorship, and acquire good business communication skills and develop business tolerance. All these characteristics are acquired through entrepreneurial training (Sial, Rathore & Khan, 2020).

### **Financing**

According to Gitman and Zutter (2020) financing is the acquisition and use of funds from





investors and creditors that enable a firm to achieve its objectives. Financing in terms of grants is a fundamental aspect of corporate finance and plays a crucial role in sustaining and growing organizations. Ross, Westerfield, and Jordan (2016) sees financing as the process of obtaining funds or capital to support the activities of an individual or organization. This highlights the importance of obtaining and managing funds to support the operations, growth, and strategic objectives of a business. Financing decisions play a critical role in determining the capital structure, cost of capital, and overall financial performance of an organization.

### **Theoretical Framework**

#### **Resource Dependency Theory**

This present research was anchored by the resource dependency theory. Resource Dependency Theory (RDT) provides a compelling lens to analyze how government intervention impacts the performance of small and medium enterprises (SMEs) in Kano State. The theory posits that organizations, including SMEs, depend on external resources for survival and growth. In the context of Kano State, these resources often include financial support, infrastructure, capacity-building programs, and favorable policies provided by the government. The reciprocal relationship highlighted by RDT underscores how SMEs rely on government interventions to gain access to vital resources, while the government, in turn, depends on the economic contributions of SMEs to drive development and foster job creation. Government interventions, such as grants, tax incentives, and infrastructure investments, can significantly reduce the environmental uncertainty faced by SMEs. By securing critical resources through these programs, SMEs are empowered to enhance their productivity, innovate, and expand their operations.

#### **Empirical Review**

Ezeilo and Ike (2024) investigated government intervention policies and their effects on the performance of Small and Medium Scale Enterprises (SMEs) in Nigeria, with a particular focus on SMEs operating in Asaba, Delta State. The study was anchored on institutional theory, and a descriptive survey design was adopted. The population size consisted of 1200 SME operators in Asaba, Delta State and a sample size of 300 SMEs was employed using Taro Yamane's formula. The questionnaires were the major instrument used for data collection in the study. Ordinal Logistic Regression was used to analyze the formulated hypotheses. The study found that government taxation policy and volatile foreign exchange rates have a significant and positive influence on the performance of SMEs, while





government infrastructural provisions have no significant influence on SMEs' performance. The findings indicate that SMEs' performance will increasingly be affected with every unit increase in these variables, as it showed a predicted increase of 0.379, 0.475, and 0.341 for taxation, exchange rate, and infrastructural provisions, respectively. The study recommends, among other things, that the government should encourage businesses (both large and small) to engage more in exportation so that the country will have a good competitive advantage over other nations.

Yunusa et al, (2023) appraised the impact of government intervention on small scale enterprises in Dekina Local Government Area of Kogi State. Using dependency theoretical frame-work, the study adopted cross sectional survey research design. The population of the study was about 2000 while the sample size of 322 was determined using krejcie and morgan statistical table. Multi-stage and purposive sampling techniques were utilized to study the entire sample of respondents. Two hypotheses formulated were tested using Chi-square and Multiple Linear Regression. The findings of the study revealed that there is a positive relationship between government intervention and the growth of small-scale business enterprise in Dekina Local Government Area, Kogi State. Arising from findings, it was recommended among others that there should be sensitization on the existence of the interventions and criteria for accessing the interventions be made easily accessible and available to all categories of small-scale enterprise operators irrespective of their socio-cultural backgrounds and political affiliations as the case may be. Meanwhile, the findings of this study are limited to only the state because there is different intervention which the government of every state implement or utilized.

Idolor et al, (2022) explored the influence of government intervention and support on enterprise performance and growth in five business sectors- Hospitality, Education, Health care, Bottled Water Production and Transport and Logistics organizations. The research paper had a descriptive research design with a randomly selected sample size of one hundred and ninety-seven respondents. The research hypotheses were tested using (Factor Analysis and Ordinal Regression Analysis) with statistical packages for social science (SPSS) version 25. The results of the study reveal that government intervention policies and intervention programmes when instituted will promote the growth of business firms in Nigeria. Also identified are relevant recommendation that serves as motivation for policy administrators, entrepreneurs and business managers to ensure that relevant intervention programmes are adopted to boost performance and





growth of the SME sector in Nigeria. Meanwhile, this research was only conducted to only five sectors of SMEs and the sample size was little to give the conclusions that relevant recommendations that serves as motivation for policy administrations.

## 1.0 Methodology

This section of the research study will describe and outline the methodology that will be adopted and used in the study in order to meet the main study objective. The researcher will use a cross sectional research design, which will be a method of inquiry aimed at gathering an in-depth understanding of a given topic. Therefore, the population of the study consists of two thousand, eight hundred and twenty-five (2,825) registered SME in Kano state (SMEDAN, 2017), and 6.4% of SME in Nigeria (PWC'S SMES survey report 2024). Therefore, Taro Yamani's formula for sample size determination will be used to arrive at a sample of 350 while a convenience sampling technique will be employed for sample size selection. In this research, the questionnaire will serve as the primary tool for gathering data. These questionnaires will consist of structured inquiries designed to extract information from respondents. The questionnaire that will be used in this research will be self-administered, meaning it will be directly handed to the respondents, allowing them to independently complete it without the researcher's direct involvement during the process. In this study, the use of self-administered questionnaires is expected to ensure that SME owners provide their insights on government intervention and their performance with minimal external influence, contributing to the reliability and objectivity of the data collected.

The data collected will be subjected to thorough examination using SPSS version 22.

This software is chosen for its comprehensive suite of statistical tools and its capacity to handle complex data set efficiently. SPSS version 22 will facilitate various statistical procedures, including descriptive statistics, inferential statistics, and regression analysis, enabling the researcher to derive meaningful insights and draw valid conclusions.





### 1.0 Findings and Discussion

The primary objective of this study was to investigate the effect of government intervention on the performance of small and medium enterprises in the Kano state. Three hypotheses were formulated based on the literature review, tested, and validated through correlation and regression analyses. The results demonstrated strong quantitative support for the hypotheses as outlined below:

Firstly, the regression analysis confirmed the alternative hypothesis that tax subsidies significantly influence the performance of SMEs in Kano. The findings indicate that effective tax subsidies positively contribute to the operational and financial performance of SMEs. By reducing the financial obligations of businesses, tax subsidies free up resources that can be reinvested in various aspects of the business, such as expansion, innovation, and improving service delivery. This reduction in tax burden lowers operating costs, enabling SMEs to allocate more capital toward growth-enhancing activities. As a result, the businesses can experience increased profitability, operational efficiency, and overall competitiveness, underscoring the critical role tax relief plays in supporting the sustainability of SMEs in Kano.

Secondly, the regression analysis validated the alternative hypothesis that training significantly affects the performance of SMEs in Kano. The results reveal that training programs have a positive and substantial impact on business outcomes. By equipping employees with relevant skills and knowledge, training boosts productivity, enhances service quality, and improves managerial practices. Well-trained employees are better positioned to meet customer demands, adapt to market changes, and contribute to innovation within the organization. This, in turn, leads to improved business efficiency, customer satisfaction, and competitive advantage, demonstrating that investment in employee training is a key driver of SME performance in Kano.

Lastly, the regression analysis also confirmed the hypothesis that financing significantly affects the performance of SMEs in Kano. The findings demonstrated that access to financing positively influences the growth and sustainability of SMEs. Adequate financing enables businesses to invest in infrastructure, technology, and new product





development, which are essential for scaling operations and remaining competitive in the market. Furthermore, access to credit or investment capital improves cash flow management and allows SMEs to overcome financial constraints that could hinder expansion. This enhanced financial capacity enables SMEs to seize new business opportunities, navigate economic challenges, and improve their overall market presence, reinforcing the importance of accessible financing in driving the success of SMEs in Kano.

## 1.0 Conclusion, Recommendation and Reference

### 2.0 Conclusion

The primary aim of this study was to evaluate the impact of government intervention on the performance of small and medium-sized enterprises (SMEs) in Kano. By analyzing key aspects of government support namely; tax subsidies, training, and financing. The research sought to determine how these interventions shape the growth and sustainability of SMEs in the region. The findings revealed a noteworthy influence, highlighting that government intervention plays a crucial role in enhancing the performance of SMEs. Specifically, tax subsidies were found to ease financial burdens, allowing businesses to reinvest savings into operations and expansion. Additionally, training programs were shown to significantly improve employee skills and productivity, leading to better service delivery and operational efficiency. Furthermore, access to financing enabled SMEs to expand their operations, maintain liquidity, and navigate market challenges more effectively. In conclusion, the study demonstrated that tax subsidies, training, and financing all have a substantial and positive effect on the performance of SMEs in Kano, emphasizing the importance of continued government support to foster sustainable business growth.

### Recommendations

Based on the positive and significant effect of tax subsidies, training, and financing on the performance of SMEs in Kano, the following three recommendations are proposed for SME owners:

**Leverage Available Tax Subsidies:** SME owners should actively seek and take full advantage of tax relief programs or subsidies offered by the government. This can improve cash flow and provide more resources for



- i. reinvestment. Collaborating with tax professionals to navigate available incentives can lead to substantial cost savings and business expansion.
- ii. Invest in Continuous Employee Training: To enhance productivity and competitiveness, SME owners should invest in consistent training programs for employees. This will improve skillsets, leading to better product quality, customer service, and operational efficiency. By partnering with local institutions or government programs offering subsidized training, SMEs can achieve higher performance with minimal costs.
- iii. Seek Diverse Financing Options: SME owners should actively explore multiple financing sources beyond traditional bank loans, such as government grants, microfinance, and venture capital. Proper financial planning and investment in business operations will ensure steady growth, helping SMEs scale and improve profitability. Building relationships with financial institutions or participating in government-backed financing programs can also enhance access to affordable credit.





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### **Harnessing Entrepreneurial Skills for Entrepreneurial Career: A Viable Option for Retiring Polytechnic Lecturers in Nigeria**

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#### **Abstract**

*The objective of this paper is to examine the entrepreneurial skills required for a successful transition of lecturers into entrepreneurship, and highlights various entrepreneurial career options available to retiring polytechnic lecturers. The study used text books, journals, periodicals and online line databases to obtain information. The information collected was subjected to critical analysis to determine its relevance. The study discovered that majority of the polytechnic lecturers in Nigeria left service after having attained the recommended length of service or age limit without any plan for life after retirement. In addition, governments' inability to pay retirement benefits on time further complicates the problems some retired lecturers find it difficult to adjust to the current realities leading to health problems due to financial pressure. Lecturers possess entrepreneurial skills that are appropriate to entrepreneurship. The paper argues that entrepreneurship can provide a fulfilling and profitable career path for retiring polytechnic lecturers, enabling them to utilize their knowledge, expertise, and experiences to create value and wealth. In the future, empirical studies should be conducted to explore the interjection between entrepreneurial skills/competences and entrepreneurial option of career for Nigeria polytechnic lecturers. The approach taken in this paper is conceptual.*

**Keywords:** entrepreneurship, entrepreneurial career option, entrepreneurial skills, retiring, lecturers.

#### **1. Introduction**

Retirement from service is an inevitable and unavoidable process which every worker must anticipate, either in the private or public sector organisations, if one is spared the long life to do so (Yusuf et al. 2016). Egbuta (1991) sees retirement as the withdrawal of an individual from lucrative employment in the later part of his or her life in order to enjoy a period of relaxation till death. Simply seen, retirement is the process of disengagement from one active service (Shultz et al. 2017). Individuals engaged in employment must one day retire and go through the transition stage. In Nigeria, the retirement age for polytechnic lecturers is due at the age of 65 years or 40 years of service, whichever comes first. Hence, individuals engaged in employment must one day retire and go through the transition stage.

When it comes to retirement, people have varying expectations. Whereas some persons view retirement positively and welcomes it with happiness, others have negative perceptions about





retirement as they associate that stage of life with economic hardships, ill health, boredom, and death (Mat et al. 2024). Further, Okonkwo and Eze (2022) observed that the average retiree often have health related problems such as depression, stroke, heart disease, and arthritis.

Retiring from active service may be compulsory or voluntary retirement, as delineated by the federal and state civil service commissions in Nigeria (Mat et al. 2024). They explained further that the primary factors leading to voluntary retirement include; health-related issues, personal motivations, and environmental influences. In addition, Shultz et al. (2017) observed that there are many probable predictors of the retirement decision, but the most predominant predictor were attitude to retirement, financial status, health condition and the degree of perceived rewards from the employment. Financial and health factors were found to be salient predictors of retirement, and only when the income is not a factor do the rewards of work and family become salient. Indeed, earlier research indicate that individual find retirement to be satisfactory so long income and health are satisfactory (Ang et al. 2023). Up to the 1980s, more retiring individuals would have preferred to remain working for increase in income (Stattin & Beng, 2022).

Additionally, social class is also shown to be a predictor of retirement. People from lower social class feel less satisfied from their work role and feel less appreciated and autonomous. Therefore, these set of persons feel pushed out of the workforce in older adulthood and a sense of uncertainty about retirement. Individuals who feel they retired involuntarily may be able to more fully describe this particular type of retirement transition (Haslam et al. 2023). Also, the study by Shin (2025) identified three sequential stages in the retirement transition process; including Moving Out/Letting Go, Moving Through/Searching, and Moving In/Creating a new life, and the transition stages culminates in death.

More interestingly, the issue of how long it takes to survive from the points of retirement to death is of significant importance. Longevity is refers to the remaining years of life a person will survive after retirement (Ajayi et al. 2014). However, this is not peculiar to a group of retirees and also subject to a number of factors. The studies by Cahill et al. (2021), Fitchet (2024), Crow (2021), and Cohen (2024) recognised many features of an individual's life that can influence how satisfied one may be in retirement and this will go a long way to determine the longevity. In the light of the foregoing, longevity of retired academic senior





staff is not different from other life expectancy of human population as presumed by Erickson (1950).

Undoubtedly, retiring from active service is a complex process that can impact daily lives and relationships (Cahill et al. 2022). Kumar and Chandrashekhar (2013) explain that retiring from service doesn't imply that the retired person doesn't have the capacity for doing additional mental or physical activity. But, a lot of people proceed with some kind of work to stay dynamic after retirement (Fasbender et al. 2014).

However, it was observed that most of the retiring polytechnic lecturers in Nigeria are still at their productive ages, and they can still be able to contribute significantly to the economy and development of their country due to their knowledge and experience (Kyei, 2025). Surprisingly, most of the lecturers retire from active service without any pre-retirement financial plan. Amini-philips (2019) expressed surprise that some lecturers are unaware of the fact that one day they must retire from active service, some are not their retirement date, while other falsify record date of birth to increase their stay in service. It is a fact of life that an employee must one day retire to give room for the younger ones to serve.

The study by Aikhuomogbe (2016) reported that about 92 per cent of retirees in Nigeria live in poverty because of insufficient preparation for entrepreneurship that could provide alternative income in retirement. In addition, the study by Amini-Phillips (2019) revealed that only about 46 per cent of lecturers in Rivers state universities have any financial plan after retirement, while 54 per cent of the lecturers do not have any financial plan for retirement. Hence, financial challenges faced by lecturers after retirement stems from failure to plan for retirement prior to retiring from active service.

Furthermore, some governments in Nigeria do not pay retirement benefits as of when due. The delay in payment puts the retiree lecturer and his/her family in psychological and social problems. Therefore, some of the retiring lecturers find it difficult to adjust to the present day realities, leading to health problems due to financial pressure and inability to do work. Hence, such retiring individuals experience a sense of solitude and loss of prominence (Yusuf et al. 2016). Although some retiring lecturers are apprehensive about retirement, Yusuf et al. (2016) regards the retirement from service as a period of self-renewal, disorientation, and reorientation. Extant literature suggests that academics do partake in academic and other professional activities after retirement (Martin-Gutieterrez et al. 2025).





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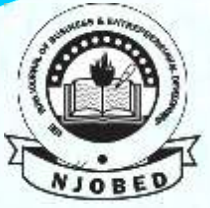
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Consequently, self-employment through entrepreneurship was severally recommended as the most preferred option for retiring polytechnic lecturers. The study by Namala and Mursala(2020) indicate that self-employment in business and agriculture are among the activities retired employees tend to pursue (Amani et al. 2023).They further reported that participation in business account for about 26.1% of retirees activities in Tanzania, while farming accounts for 38.5 per cent. In addition, about 21 per cent use their reteirement benefits in terms of pensions and gratuities to start business. Further, Yusuf et al.( 2016) observed that the extension of entrepreneurship to older people can decrease the old-age dependency ratio on the working population and government expenditures; uplifting the economy; and developing business opportunities beyondretirement.

Entrepreneurial skills are fundamental to entrepreneurship as a career option. Entrepreneurial skills are abilities, competences, and personal qualities that enable an individual to identify opportunities, creat, manage and grow a businessor innovative project successfully. These skills are fundamental not just for creating anbusiness venture, but also for driving growth, solving problems, and managing risksin every entrepreneurial venture.Skills broadly classified in to hard and soft skills. Bodrick et al. (2025) defined hard skills as technical competences required to perform tasks and are acquired through knowledge. Hard skills are specific, that can be taught or technical knowledge that can be learnt through education, practice, training, and experience. Where soft skills, are personal attributes and interpersonal skills that allowpersons to efficientlywork well with others through communication, collaboration, and problem-solving. Soft skills are difficult to quantify and are often difficult measure or teach. Lyu and Liu (2021) refers these as communication skills, team and leadership skills, time management skills, adaptability skills, conflict resolution, and emotional intelligence. Soft skills are vital for building relations, traversing complex work environments, and managing people.Soft skills are required to integrate the hard skills in to practice.

The objective of this paper is to explore the entrepreneurial skills required for a successful transition of polytechnic lecturers from work to leisure. The study also highlight the various entrepreneurial skills required to engage as an alternative entrepreneurial career options for self-reliance/self-employment after retirement.





### 1. Literature Review

#### 1.1 Entrepreneurial Career Option

A nation's economic growth, innovation, and job creation are all influenced by the role of entrepreneurial leadership in these areas (Portuguez Castro et al. 2020). Entrepreneurial career option (ECO) is an individual's choice to create and operate a business as an alternative option of career rather than to work for others for salaries or wages (Costa et al. 2016; Perez-Lopez et al. 2016). Hence, it is a decision to choose entrepreneurship as a career among other obtainable career options. Prior studies suggest that the entrepreneurial career is the ideal career option for the unemployed (Abuzhuri&Hashim, 2017). ECO is gradually becoming an appropriate career option that can solve the present turbulent market conditions and the effects of globalization (Perez-Lopez et al., 2016). Thus, an individual's intention to pursue an entrepreneurial option of the career is marked by the person's resolve to engage in entrepreneurship as a career option (Isah&Hashim, 2017).

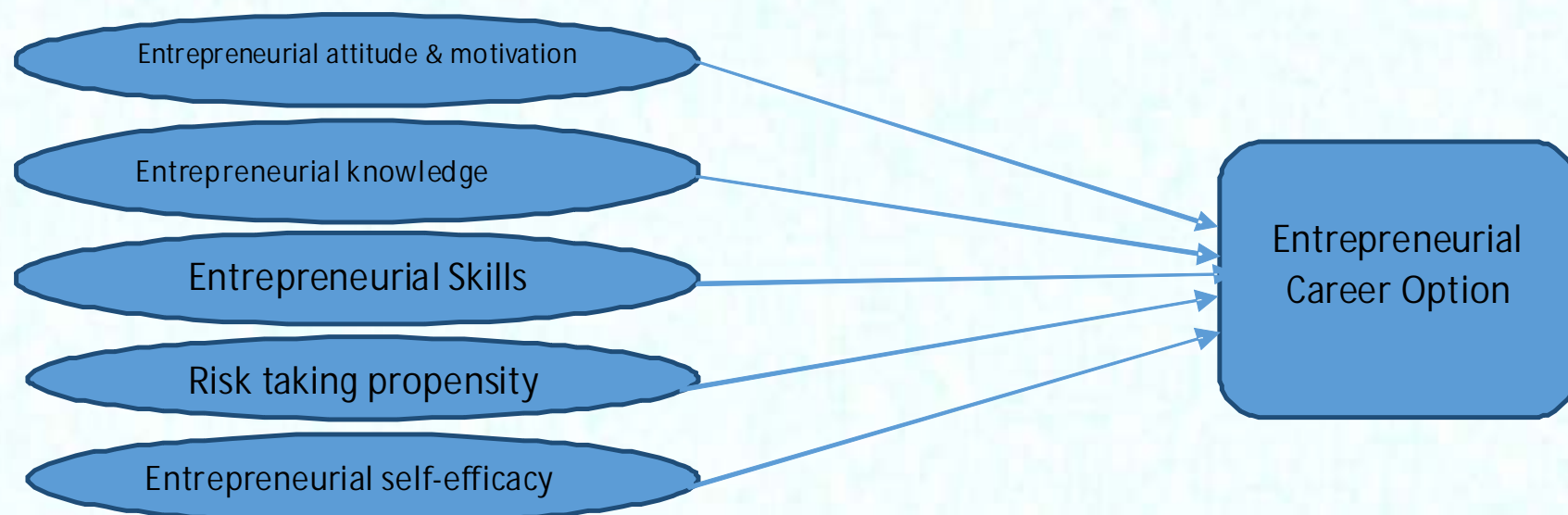
Existing literature suggests that the most obvious form of ECO is the creation of a new business venture (Shook, Priem, & McGee, 2003). Earlier studies indicate that new venture creation is a process consisting of a number of sequential stages. Specifically, Shook et al. (2003) presented a four-stage model of new venture creation consisting of entrepreneurial intention, opportunity search and discovery, decision to exploit opportunity by new venture creation, and opportunity implementation stages. In this paper, Shook's et al. (2003) of decision to exploit opportunity by new venture creation is the subject of attention. In addition, studies have shown that the decision by an individual to start a venture is determined by both cognitive and psychological variables (Kolvereid, 2016). In this view, entrepreneurial self-efficacy, risk propensity, motives, and attitudes were said to be instrumental factors influencing individuals' decision to exploit an opportunity by creating a new business venture (Campopiano et al. 2016; Mary George, et al. 2016).

Moreover, ECO is an unification of some inter-related factors coming together to effect an individual's decision to select entrepreneurship as a preferred career option to engage upon for self-reliance. Notably, the factors that influence the choice include, but are not limited to a person's attitude towards entrepreneurship, his/her knowledge of entrepreneurship, and entrepreneurial skills possessed by the individual. In addition, the individual's propensity to take risk significantly determines his/her choice of entrepreneurship as a life career option (Biraglia&Kadile, 2017; Isah&Garba, 2015). Hence, the most obvious form of self-employment is entrepreneurship.



Consequently, entrepreneurship after retirement is a growing area of research, driven by the increasing number of people pursuing new ventures in their later years. Wang and Shultz (2010) posit that transitioning into entrepreneurship before retirement allows individuals to harness their experience, networks, and expertise making business ventures more viable. Also, self-employment provides retired individuals with prospects and flexibility that were not available in paid employments (Cahill et al., 2022). Recent studies indicate that self-employment increases significantly later in life after retirement as a result of the growing personal needs of the retiree (Chigunta, 2017).

In Nigeria, studies have highlighted the importance of equipping prospective retirees with entrepreneurial skills to mitigate economic challenges of post-retirement (Okonkwo & Eze, 2022). Also, several studies have explored the reasons behind career transitions to entrepreneurship after retirement, including the desire for autonomy, pursuing a passion, or supplementing retirement income.



**Figure 1: Research Framework**

## 2.2 Entrepreneurial Skills

The capacity to create or develop innovative things that add value to society and generate financial advantages for the entrepreneur is what entrepreneurial skill is (Nson & Abimaje, 2024). Skills play a crucial role in entrepreneurship as they determine an entrepreneur's ability to start and grow a successful business (Ghouse et al. 2024). Entrepreneurship without required skills is disastrous because entrepreneurial skills are considered to be the lifeline for small and medium enterprises (SME's) (Ngele & Nzelibe, 2023). Entrepreneurial skills encompass various abilities, including creativity, adaptability, leadership, decision-making, and resilience. Also, effective communication, financial literacy, and the ability to identify



and exploit opportunities are also fundamental for success in entrepreneurship. In addition, continuous learning and robust work ethics further contributes to entrepreneurial competence. Entrepreneurial skills are essential for individuals looking to start and run their own businesses successfully (Ngele&Nzelibe, 2023).

Entrepreneurs need to possess both hard and soft skills. Hard skills are specific, teachable abilities or knowledge that are technical in nature and can be acquired through education, training, practice, and experience. Simply sated, hard skills are technical skills related to a specific profession or field, soft skills are interpersonal skills and personal attributes that enable individuals to work effectively with others (Lyu& Liu, 2021). Soft skills are crucial for building relationships, managing people, and navigating complex work environments. Hard skills are typically needed to perform specific job tasks, soft skills are essential for interpersonal interactions, teamwork, leadership, and overall career growth (Vieilandie et al. 2024). Both hard skills and soft skills are important for professional success, and they complement each other in the workplace (Vieilandie et al. 2024).

Ngele and Nzelibe (2023) observed that lack of self-confidence, gender stereotypes, and social support can hinder or inhibit the efficient actualization of entrepreneurial skills. Furthermore, acquisition of entrepreneurial skills increases an individual's confidence level essential for starting a new business venture, jacks up his/her self-efficacy, and stimulate a yearning to thrive, and makes the chances for success brighter and higher (Ngele&Nzelibe, 2023).

### 2.3 Academic Staff Retirement Decision

Retirement from academic careers can be a significant life transition for polytechnic lecturers. Many retiring lecturers possess some valuable skills and experiences that can be leveraged for entrepreneurial ventures. Retiring from an active career as an employee in the public or private sector organization is a sanctioned and recognised ending of a work life. Obinyan and Esther (2020) describes retirement as a conversion from active involvement in the world of work to an active engagement in the world of leisure. The retired lecturer will be unhappy, disappointed, feeling of lowliness complex as a retiree, low self-esteem in the community, regretted retiring from public service and inability to contribute to the society (Obinyan& Esther, 2020). Hence, they suggested prior planning for life after retirement since





the retiring individual will be exposed to a new life style that is different from the life style during active service.

### 2.4 Harnessing Entrepreneurial skills as Career Option

Entrepreneurship can provide a fulfilling and profitable career path for retiring polytechnic lecturers, enabling them to utilize their expertise and experience to create value and wealth (Fitchett, 2024). Most importantly, entrepreneurial intention and aspirations play a pivotal role in determining whether individuals engage in entrepreneurship after retirement. In addition, networking in facilitates the transition from fulltime employment to entrepreneurship especially for retirees.

Retiring polytechnic lecturers have a range of entrepreneurial career options to consider. Successful entrepreneurship requires a range of skills, including: the ability to develop and implement a business plan, manage finances, and make strategic decisions; the ability to identify and target markets, develop marketing strategies, and close sales; ability to build and maintain relationships with stakeholders, partners, and customers. In addition, they should have the ability to innovate and adapt to changing market conditions, customer needs, and technological advancements, as well as the ability to lead and manage teams, motivate employees, and build a positive company culture.

Therefore, the retiring polytechnic lecturer can use his/her knowledge and experiences to engage in some of the following:

- i. Consulting: offer consulting services to businesses, organizations, and individuals, leveraging their expertise and experience.
- ii. Online courses: retiring lecturer can create and sell online courses teaching subjects related to their field of expertise.
- iii. Coaching or mentoring: the retired lecturer can also provide coaching or mentoring services to entrepreneurs, professionals and students thereby helping them to develop skills relevant to the attainment of their goals.
- iv. Research and development: they can as well engage in research and development activities essential in creating new products or services that will solve real-world problems.

Retired lecturers can provide entrepreneurial training programs, utilizing their knowledge and experience to aid recipients in success.

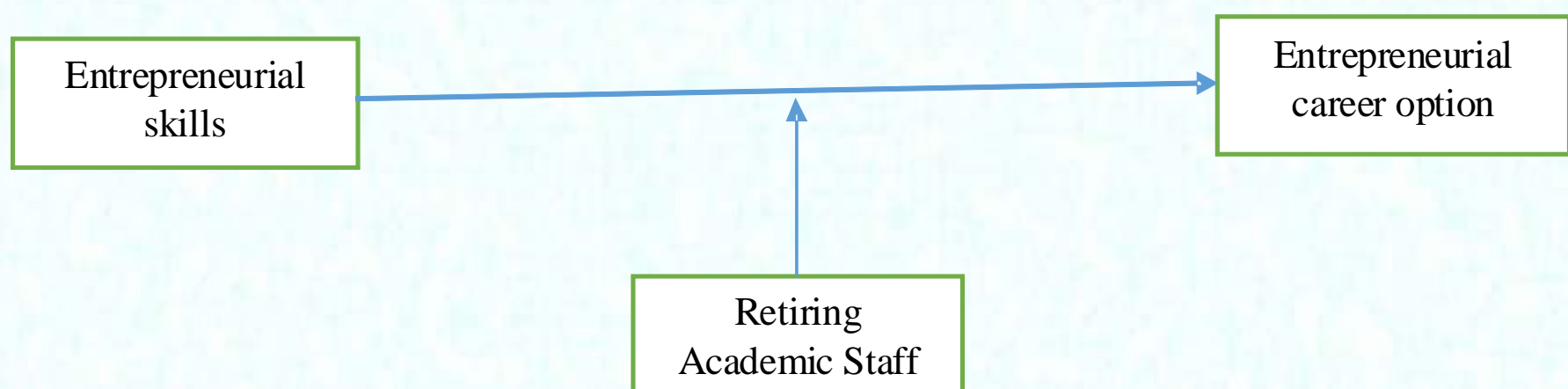


## 1. Theoretical Framework

According to Erik Erikson's (1950) (Robertson, Collins, Medeira, & Slater, 2003) life cycle model of psychosocial development assumes that the human personality passes through eight distinct stage growth process from infancy to late adulthood. These stages operate in sequence upon a successful implementation of the previous stage. The crises of each stage pass through, and certain developmental crises/conflicts abound, which the participants learn to master. This crisis does not constitute a disaster but a period of intensified potential for growth and susceptibility. For each crisis successfully resolved, Erikson (1978) postulates that the person acquires a virtue or strength appropriate to that stage which adds to the person's competencies and abilities and makes him/her more able to face the crisis of the following stage of the life cycle. Failure to resolve the crisis of a life stage successfully results in poor or regressive development. Those stages that were not successfully completed may be anticipated to reappear as problems in the future (Slater, 2003).

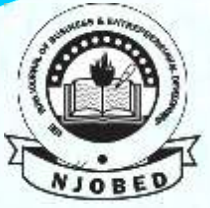
Accordingly, Erikson's penultimate and last stages of adult development process which stretches from midlife, about 35-65 years is of particular relevance to this paper. At these stages, Erikson (1950) concluded that the most fundamental challenge of midlife is the attainment of generativity versus stagnation. The primary task of generativity is launching and directing future generations through the conception and preservation of a wide range of individual, cultural, and institutional, resources that are essential to sustain intergenerational solidarity (Erikson, 1964).

Impliedly, retiring lecturers may have a feeling of accomplishments; that is feeling proud of their contributions to education and their students. In addition, retiring lecturers may have sober reflection and nostalgia; reflecting on their career and memories. In addition, they could contemplate the legacy that has been passed down and its impact on future generations.



Source: Study Framework 2025





## 1. Methodology

The collection of research data was achieved by analyzing information from textbooks, journal articles, newspapers, periodicals, and government publications. In addition, relevant electronic search engines were also used to obtain information from relevant world-wide websites of the internet such as Google, etc. The data obtained were integrated and analysed to form a body of research as presented here.

## 2. Discussion

Disengagement from one's active service is what retirement is (Adedapo et al. 2014). It is the expectation of individuals that once you are engaged in one employment or the other, you have to retire and pass through the transition stages (Adedapo et al., 2014). The retirement of senior academics from active service implies a loss of important knowledge and skills and exposes academic institutions to a paucity of trained and qualified academics, who can swiftly and successfully fill the gap left by vastly experienced retirees (MacFarlane, 2012). At the end of a lengthy career, senior academics have become fountains of knowledge. They have amassed institutional memory, extensive academic and administrative experiences; achieved professional status through prestigious teaching positions, honours, and disciplined community service. They have been intellectually distinguished through publications and acquired social and political power through membership of professional bodies and developed social/public networks (Lemmer, 2014).

At retirement however, Amune et al. (2020) observed that retiring from active service normally create a lot of difficulties for the retirees. Scholars like Amani et al. (2023); Kyei (2025); and Martin-Gutierrez et al. (2025) revealed that many retiring lecturers left service having attained the recommended length of service or age limit without an effective plan for retiring either by contributing monthly to a particular pension scheme, operating a personal savings account with a bank, maintaining a fixed deposit account, purchase of landed properties, purchase of shares, ownership or investing in insurance policy (Amune et al. 2015; Eboh et al. 2021). As a result, many retirees face hardships due to inadequate financial resources to take care of themselves and their family as a result of differences in the availability of funds to sustain life during service years as against life after retirement (Amune et al. 2015). Scholars like Okonkwo and Eze (2022) found that there are inadequate government retirement programmes equipping civil servants with the ability to plan and set up new business after retirement. The significant difference in life after retirement and during active service years can make it challenging to take care of oneself and their family.





Similarly, effective retirement planning among academics in higher education institutions in Nigeria is hindered by fundamental barriers, according to previous studies (Eboh&Agabi, 2021). Also, Amani et al (2023) and Mensah (2022) identified these hindrances to include limited knowledge of retirement planning, lack of investment management skills and experience, failure to prioritize expenditure, attitude towards retirement, financial constraints due to extended family needs, retirement policies and legal reforms, and limited time to supervise investments. These problems are not peculiar to Nigeria, but to other countries as well. For example, Kwegyiriba et al. (2021) revealed that employees of Takoradi University Ghana also faced some difficulties in retirement, such as poor living conditions, housing risk, high cost of living, high dependency, and ill health.

Consequently, an entrepreneurial career is the only available career option for the retiring lecturer for self-sufficiency and self-reliance. Retiring lecturers can leverage on their skills and experience (Badugela, 2025). Retirees bring valuable experience and skills to entrepreneurship, which can contribute to their success. Furthermore, entrepreneurship can provide retirees with a sense of purpose and fulfillment. Finally, retirees may encounter obstacles during the transition to entrepreneurship due to limited access to resources, ageism, and health problems. **6. Conclusion**

It's a fact that retired polytechnic lecturers have valuable skills and experience that can be utilized for entrepreneurial ventures. By developing the necessary entrepreneurial skills and exploring various entrepreneurial career options, retiring polytechnic lecturers can create a fulfilling and profitable career path. Entrepreneurship can provide a sense of purpose, autonomy, and financial security, enabling retiring polytechnic lecturers to continue making a positive impact in their communities. Thus, retiring lecturers can harness their knowledge, skills, experiences, and expertise to enable a successful transition into entrepreneurship and build fulfilling and profitable business ventures.

Hence, studies suggest that academics can be encouraged to invest in assets and financial ventures so that at retirement, they can earn additional income from these assets and financial ventures to supplement their pension income. They should embark on continuous education and skills acquisition and training as a way of preparing for life after retirement (Obinyan& Esther, 2020). In addition, retiring polytechnic lecturers should invest in developing the necessary entrepreneurial skills, such as business planning, marketing, and leadership. By so doing, they will be able to explore various entrepreneurial career options, such as consulting, online courses, and coaching or mentoring. The institutions of learning and





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incubators/accelerators should offer support and resources for the entrepreneurial ventures to succeed.

Nonetheless, entrepreneurship remains the most legitimate and available career option available to the retiring lecturer. By successfully transforming into entrepreneurship, retired polytechnic lecturers can create a career path that is both fulfilling and profitable and leverages their skills, experience, and expertise.



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