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Editorial

Information Management and Business Review (IMBR) provides a unique platform to scholars around the world to share their knowledge and publish research work in the fields of information management, business, management and related disciplines. The work submitted for publication consideration in IMBR should address empirical and theoretical developments in the subjects related to the scope of the journal in particular and allied theories and practices in general. Scope of IMBR includes: subjects of finance, accounting, auditing, cost & management accounting, financial psychology, financial literacy, marketing, information management, human resource management, knowledge management, innovation, change management, enterprise management, e-commerce and information system. Author(s) should declare that work submitted to the journal is original, not under consideration for publication by another journal, and that all listed authors approve its submission to IMBR. It is IMBR policy to welcome submissions for consideration, which are original, and not under consideration for publication by another journal at the same time. Author (s) can submit: Research Paper, Conceptual Paper, Case Studies and Book Review. The current issue of IMBR comprises of papers of scholars from Ghana, India, Indonesia, UK and Uganda. Influence of brand awareness and perceive quality on loyalty, effect of local expenditure, local wealth level, audit opinion, and audit findings on the performance of local governments, electronic banking and profitability in the banking industry, determinants of audit quality in audit institution and factors affecting the performance of public sector practitioners are some of the major practices and concepts examined in these studies. Journal received research submission related to all aspects of major themes and tracks. All the submitted papers were first assessed by the editorial team for relevance and originality of the work and blindly peer-reviewed by the external reviewers depending on the subject matter of the paper. After the rigorous peer-review process, the submitted papers were selected based on originality, significance, and clarity of the purpose. The current issue will therefore be a unique offer, where scholars will be able to appreciate the latest results in their field of expertise, and to acquire additional knowledge in other relevant fields.

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PAPERS

Information Management and Business Review (IMBR)
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Influence of Brand Awareness and Perceive Quality on Loyalty: The Mediating Role of Association in Traditional Medicine Market in Kumasi, Ghana

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Abstract: Enhancing brand quality, association and awareness can generate greater loyalty which may lead to a sustainable edge in a competitive market. And yet, there is a relative paucity of studies on the influence of awareness and quality on loyalty via the mediating impact of association, particularly in the traditional health market. Hence, this study sought to investigate the influence of awareness and quality on loyalty via the intervening role of the association in the traditional health market. Based on Aaker`s customer-based brand equity framework, eight hypotheses were stated and examined through structural equation modelling. Data were gathered from a sample of 348 customers through systematic sampling. The research found that association perfectly mediates the path between awareness and loyalty, but plays a partial role in the path between perceived quality and loyalty. The study, therefore, contributes to advancing the limited branding literature in the traditional medicine industry. First, the study establishes the starring role of awareness, association, and quality as antecedents of loyalty in the context of brand management in the traditional medicine industry. Not only this but also the research confirms that association acts as a mediator in the relationships among awareness, association, quality and loyalty in the context of brand management in the traditional medicine industry.

Keywords: *Herbal Medicine, Brand awareness, Brand association, Perceived quality, Brand loyalty, Customers.*

1. Introduction

In recent decade, interest in plant medicines has been growing steadily globally, despite the extensive patronage of orthodox medicines for medical care. Herbal medicine consists of herbs, herbal materials, preparations, and finished herbal products, which comprise as active substances parts of plants, or other plant materials, or both (WHO, 2007). World Health Organisation (2008) reported that roughly 70% to 80% of the population in the industrialised world have consumed some kind of complementary or alternative medicine in their lifetime. Besides, WHO (2011) noted that approximately 70 to 95 percent of people residing in the developing world rely on herbal therapy to meet their health needs. In Ghana, a significant proportion of the population still patronise locally-manufactured herbal therapies for their primary health needs. The United Nations Development programme (2007) also revealed that nearly 80 percent of Ghanaians utilise herbal therapies for first-line treatment and basic health services. The herbal therapies are frequently used for the treatment of minor ailments, managing chronic diseases, and maintenance of fitness of health (Samojlik, 2013 cited by Naresh & Reddy, 2016). With the ever-increasing use of herbal medicines and rapid expansion of the market, the development and production of local herbal medicines in Ghana have improved over the years in terms of product innovations and packaging.

Currently, the herbal medicines are certified by the Ghana Food and Drugs Authority (GFDA) and are usually bought as non-prescription medications. These medicines are sold in pharmacies, over-the-counter medicine shops, and herbal stores in the form of tablets, capsules, ointments, mixtures, and powders (Essegbey, Awuni, Essegbey, Akuffobea & Mica, 2014). The rapid increase in the production of herbal medicines over the last few years has resulted in a keen rivalry in the traditional health industry. It has been noted that developing strong awareness, associations and high perceived quality can engender greater loyalty (Aaker, 1992), which can act as a barrier to competitive actions and customer-brand switching behaviour in the market (Kotler & Pfoertsch, 2006). However, despite the essential role of awareness and perceived quality in building loyalty via the impact of association, there is a relative paucity of empirical studies to establish their importance to loyalty in the traditional health industry. Similar research conducted by Hyun and Kim (2011), however, focused on the mediated role of perceived quality on the influence of awareness on the association in the chain restaurant industry. For this purpose, this research aimed to assess how awareness and quality

influence loyalty via the intervening role of the association in the traditional health industry. Hence, the objectives of this paper were to determine;

- The impact of awareness on association, loyalty, and quality in the traditional medicine industry in Kumasi.
- The impact of perceived quality on loyalty and association in the traditional medicine industry in Kumasi.
- The intervening role of association on the relationships among awareness, quality, and loyalty in the traditional medicine industry in Kumasi.

This paper, therefore, contributes to enhancing the currently limited branding theory in the traditional medicine industry. This paper confirms the importance of awareness, association, and quality as antecedents of loyalty in the discipline of brand management in the traditional medicine industry. Besides, the study establishes that brand association acts as a mediator in the relationships among awareness, quality, and loyalty in the discipline of branding management in the traditional medicine industry.

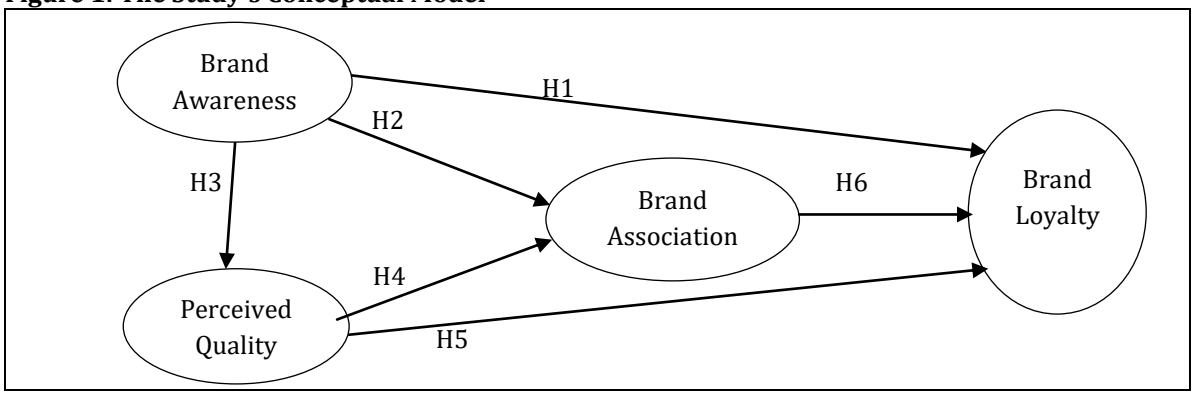
2. Literature Review

Brand Loyalty: Loyalty has been traditionally associated with fidelity and enthusiastic commitment to an individual, a cause, or a country. In the business context, however, loyalty relates to customers` preparedness to continue to patronise an organization for the long term, particularly on an exclusive basis, recommending the organization`s offering to others (Lovelock & Wirtz, 2016). Alternatively**,** Kardes, Cronley and Cline (2011) described brand loyalty (BL) as an intrinsic commitment of customers to a brand. The authors further explained that loyalty comprises behavioural and attitudinal loyalty. Attitudinal loyalty measures the overall feelings a customer has toward a brand, whereas behavioural reflects customers` predisposition to repeatedly purchase a brand. Lovelock and Wirtz (2016) emphasised that loyalty does not only consist of behaviour but also preference, liking, and future intentions. Similarly, Ferrell and Hartline (2011) are of the view that BL consists of aspects of recognition, preference, and insistence according to its intensity.

In the authors` view, recognition is the least and occurs when a customer is familiar with the brand but does not have a strong desire to buy it. Brand preference, on the other hand, denotes a higher aspect of BL and here, consumers consider the brand first before any other rival brands. Finally, brand insistence indicates the topmost aspect of loyalty, is where customers do not accept the brand`s substitutes but expend much time and effort to look for the brand in the market. Kotler and Keller (2012) suggested that highly satisfied and loyal customers stay longer with a firm, buy more quantities of new and improved products, say positive things about the organization and its offering, are less responsive to rival brands and price hikes, and have lower costs relative to serving new customers because of the routine nature of their transactions. Greater customer loyalty base is also linked to high market share, price premium, competitive entry barrier, improved trade leverage, insulation against competitive actions and thus, contributing to the long-term profitability of a business (Aaker, 1996).

The Conceptual Model: Here, the conceptual model provides a graphical and narrative explanation of the key factors, and the hypothesised relationships among them in this research (Miles & Huberman, 1994). In this research, brand awareness (BA) and perceived quality (PQ) are considered exogenous variables, while the brand association (BAS) is an intervening variable, and brand loyalty (BL) is an endogenous variable. Figure 1 displays the conceptual model of the research which posits that BA and PQ are directly related to BAS and BL. Also, it can be seen that BAS positively influences BL, whilst PQ is positively affected by BA. Finally, BAS mediates the relationships among BA, PQ, and BL. In this model, BA is operationalized as the strength of the brand residing in the potential buyer`s mind (Aaker, 1991), and comprised brand identification and recall (Keller, 2013).

Figure 1: The Study`s Conceptual Model



Source: Developed by the Researchers

Research Hypotheses: This paper seeks to evaluate the impact of BA and PQ on BL through the intervening role of the BAS in the traditional health market. Guided by the research conceptual model, the posited hypotheses are explained below.

Brand Awareness: Brand awareness is acknowledged as a salient brand asset that adds value to a firm`s offering (Aaker, 1996), and signifies the strength of a brand`s presence in the potential buyer`s memory (Aaker, 1991). Keller (2013) noted that the BA comprises recognition and recall. The recognition measures the customers` familiarity with the brand resulting from the prior exposures, whereas recall is the ability to retrieve the brand from the mind anytime the product class is mentioned (Hoeffler & Keller, 2002; Aaker, 1991). Brand association is concerned with any aspect that the buyer associates with a brand, and is decomposed of perceived value, brand personality, and organizational associations (Aaker, 1996). Also, PQ is operationalised as a buyer's subjective evaluation of the overall superiority of an offering (Zeithaml, 1988), relative to its stated purpose and the alternatives (Aaker, 1991). Lastly, BL is also defined as customers` willingness to continue to patronise an organization for a longer-term, particularly on an exclusive basis.

Aaker (1991) however, contended that BA extends beyond recognition and recall to include top-of-mind awareness. Keller (2013) highlighted that BA contributes to the formation and strength of association. Moreover, consumers buy brands which they are familiar with, as they are usually recognised as reliable, of reasonable quality, and in business to stay (Aaker, 1991). A strong BA also positively affects the brand choice and supports the formation of loyalty (Ferrell & Hartline, 2011; Aaker, 1996). Past studies also showed that strong BA strengthens association (Hyun & Kim, 2011; Pike, Bianchi, Kerr, & Patti, 2010), quality (Buil, Martinez, & de Chernatony, 2013; Hyun & Kim, 2011), and loyalty (Pike & Bianchi, 2013). Hence, the following hypotheses are proposed:
H1: Brand awareness is significant and positively related to loyalty
H2: Brand awareness is significant and positively related to association
H3: Brand awareness is significant and positively related to perceived quality

Perceived Quality: Perceived quality is a major strategic thrust for many organizations because it has been shown to drive financial performance. Zeithaml (1988) described PQ as the subjective evaluation of the overall superiority of an offering. Aaker (1991) also defined PQ as the perceptions of the overall excellence of an offering to its intended use, relative to the other competing products. Perceived quality is not the same as product, objective, and manufacturing quality because it is based on consumer perceptions. Objective quality relates to the degree to which a product provides excellent service (Aaker, 1991); whereas product quality denotes the total attributes of a product that permit it to function as expected (Ferrell & Hartline, 2011). In contrast, manufacturing quality also describes the conformance to manufacturing requirements (Zeithaml, 1988). It has been asserted that enhanced product quality can, however, increase the PQ (Gil, Andres & Martinez, 2007).

Aaker (1991) suggested that the dimensions of PQ include performance, reliability, durability, serviceability, fit and finish, features, and conformance to specifications. Aaker (1992) highlighted that perceived quality can

provide a platform for a higher market share, line extensions, a point of differentiation, high price, and ultimately, contributes to the overall profit margins of a company. A high PQ can also strengthen loyalty, future buying intentions (Aaker, 1992), and association (Chen, 2001; Campbell, 2002; Keller, 1993). Past studies also found that PQ positively influences BL (Hyun & Kim, 2011; Gil et al., 2007). Hence, the following hypotheses are posited:
H4: Perceived quality is significant and positively related to association
H5: Perceived quality is significant and positively related to loyalty

Brand Association: Brand association is another essential brand asset that provides value for businesses (Keller, 2013), and refers to anything that consumers associate with a brand (Aaker, 1991), which conveys meaning to the potential buyers (Keller, 1993). Perceived value, brand personality, and organizational associations have been found in the literature as the antecedents of BA (Aaker, 1996; Buil et al., 2013). The perceived value measures the total subjective evaluation of the benefits consumers receive from a product relative to what is given out (Zeithaml, 1988), whereas brand personality is described as the package of human traits attached to brands (Aaker, 1997). The organizational associations relate to the aspects such as people, values, and programs of an organization connected to brands.
According to Aaker (1991), a favourable and unique association can be a source of differentiation, line extensions, and a basis for buying decisions, processing, and recall of product information, and can stimulate healthy attitudes and feelings towards a product. A strong association can increase loyalty (Aaker, 1991), and is positively affected by awareness and quality (Chen, 2001; Campbell, 2002; Keller, 2013). Past studies also revealed that association significantly influences loyalty (Hyun & Kim, 2011; Gil et al., 2007). As a result, the following hypotheses are posited:
H6: Brand association is significant and positively related to loyalty
H7: Brand association mediates the relationship between brand awareness and loyalty
H8: Brand association mediates the relationship between perceived quality and loyalty

Research Design: Here, the plan used to test the hypotheses posited has been thoroughly discussed. Herbal medicines produced by Ghanaian firms and approved by the GFDA were included in this research. Besides, herbal stores in the Kumasi Metropolis licensed by the Traditional Medicine Practice Council (TMPC) were selected. Although, pharmacies and over-the-counter medicine shops are authorised to retail herbal and conventional medicines, recruiting participants from these shops was impossible. Consequently, herbal retail outlets were picked because they have been given authority by law to distribute only herbal drugs.

Population and Sampling Techniques: The research population comprised 80 certified herbal stores, 20 of them provide both wholesale and retail services, whilst 60 are engaged in only retailing. These data were obtained in 2018 from the TMPC, Kumasi. These stores are the licensed retail outlets where herbal medicines are sold as non-prescription medications. Using Krejcie and Morgan's (1970) framework for calculating sample size, 19 and 52 samples were picked from a total of 20 wholesale and 60 retail herbal stores respectively. The researcher then employed stratified sampling to choose the sample of the herbal stores in the Metropolis. This method allowed the research population to be divided into strata and elements of each stratum are randomly picked to ensure fair representation of each stratum in the research (Sekaran & Bougie, 2016). Again, per the 2018 data of the 80 herbal stores, a total of 3 710 customers above 18 years visit these stores daily to purchase herbal medicines in the Metropolis. Following the framework for calculating sample size, 348 customers were chosen as respondents in this research.

3. Data Collection Instrument and Method

A five-point Likert scale ranging from strongly agree (5) to strongly disagree (1) was utilised to ascertain the research participants` perceptions on BA, BAS, PQ, and BL of the herbal medicines sold in Kumasi. This type of questionnaire was used because the data collected permitted the use of statistics to analyse the data, while the interpretation is much easier (Creswell, 2014). The scale items of the research constructs were obtained from those that have been developed by earlier authors. The test responses of BA were adopted from Yoo, Donthu and Lee (2000), Tong and Hawley (2009), and Gil et al. (2007), PQ from Yoo et al. (2000), and Gil et al. (2007), BL from Aaker (1996), Tong and Hawley (2009), Gil et al. (2007), and Yoo et al. (2000), and BA from Netemeyer et al. (2004), and Aaker (1996). The questionnaires were administered to the customers at the 71

shop floors via a systematic sampling method. As a result, the first participant was randomly picked, and later, every eleventh participant was asked to complete a questionnaire till the total sample got finished. This method was utilised because it provides a platform to recruit participants without first-hand information about the cases in the sample frame (Malhotra, Nunan & Birks, 2017). In all, 348 questionnaires were distributed but 307 were usable due to invalid responses provided by some of the respondents.

Psychometric Measures of Scale Items: The reliability of the scale items was assessed by using individual item reliability and composite reliability of the constructs (Bagozzi & Yi, 1998; Hair et al., 2014), while validity measures were determined by discriminant validity and convergent validity through Fornell and Lacker (1981) criterion and Average Variance Extracted (Bagozzi & Yi, 1988) respectively. Table 1 exhibits the results of the psychometric measures of the research constructs. First, the individual items' reliability was evaluated through Cronbach`s alpha (Hair et al., 2014). The findings in Table 1 reveal that the Coefficient alpha values of BAS, BA, PQ, and BA were above the recommended threshold of 0.70, which fall between .752 and .859, demonstrating evidence of reliability (Tavakol & Dennick, 2011). Consequently, the scale measures were acceptable for evaluating the four variables.

Furthermore, due to the sensitive nature of the Coefficient alpha to the number of test responses resulting in under-estimation of reliability, composite reliability was computed to provide an appropriate assessment of the composite measure of the reliability of the latent variables in the measurement model (Hair, Sarstedt, Hopkins & Kuppelwieser, 2014; Washburn & Plank, 2002). The results of the composite reliability analysis also show that the coefficients of all the variables were higher than the proposed .70, falling between .751 and .860, indicating acceptable construct reliability (Fornell & Larcker, 1981; Bagozzi & Yi, 1988). Besides, the findings of the Average Variance Extracted (AVE) indicate that all the estimates are above the recommended .50, suggesting a high level of convergent validity (Bagozzi & Yi, 1988). Also, by using the Fornell and Lacker (1981) criterion, the scores of the square root of the AVEs are well above the squared correlation coefficients between latent variables and any other latent variables, indicating superior discriminant validity.

Table 1: Results of Psychometric Measures

Constructs	A	CR	AVE	BA	BAS	PQ	BL
Brand Awareness (BA)	.761	.760	.515	.717*			
Brand Association (BAS)	.753	***.774***	.537	.383	.732*		
Perceived Quality (PQ)	.859	.860	.607	.429	.729	.779*	
Brand Loyalty (BL)	.752	.751	.504	.344	.675	.670	.709*

Notes: CR = composite reliability; * = Square root of AVEs; Off-diagonal estimates represent the squared inter-construct correlations

4. Data Analysis and Results

Demographic Characteristics of Respondents: Table 2 exhibits the results of the demographic profile of the research participants in relation to gender, age, and educational background. The results show that 208(68.4%) of the respondents were male, whilst 96 (31.6%) female. 18 to 25 years were 124 (40.7%), 26 to 35 years were 115 (37.7%), 35 to 45 years were 33 (10.8%), 46 to 60 years were 18 (5.9%) and above 60 years were 15 (4.9%). Besides, the participants who posses basic education were 39 (12.7%), secondary education were 120 (39.2%), diploma education were 62 (20.3%), and tertiary education were 85 (27.8%).
The findings further revealed that a large percentage of the respondents were male, youth, and posses secondary education.

Table 2: Results of Respondents` Demographic Characteristics

Gender	Frequency	Valid Percent
Male	208	68.4
Female	96	31.6
Total	304	100.0
Age (Years)		
18-25	124	40.7
26-35	115	37.7

36-45	33	10.8
46-60	18	5.9
More than 60	15	4.9
Total	305	100.0
Education Levels		
Basic education	39	12.7
Secondary education	120	39.2
Diploma education	62	20.3
Tertiary education	85	27.8
Total	306	100.0

Structural Equation Modelling: To examine the hypotheses proposed in the research, covariance structural equation modelling (C-SEM) was employed because the data collected for this study contains multiple-scale items and latent variables which the traditional multiple regression procedures are considered not useful (Bryne, 2016). More importantly, C-SEM was used because it is an appropriate and efficient estimation method for testing a series of separate multiple regressions simultaneously, provides the overall model fit, and also accounts for measurement errors attached to the individual test responses (Hair et al., 2014; Bryne, 2016). The C-SEM was conducted in two phases as proposed by Anderson and Gerbing (1988). The measurement model through the confirmatory factor analysis was performed first before the path model.

Measurement Model: The measurement model was carried out through SPSS Amos 26 by using a maximum likelihood estimation method to confirm the loadings of the scale items on their intended constructs to produce BL, BA, PQ, and BAS. To attain satisfactory convergent validity, scale items with standardised regression weights below .50 were dropped (Hair et al., 2014), and consequently, three scale items were deleted. The analysis in Table 3 reveals that 13 scale items loaded on the four latent variables and all the regression weights proved to be significant, ranging from .594 and .822, showing evidence of construct validity (*ibid*). Even though, the Chi-square test (X^2 = 143.717, df = 59, p = .000) rejected the model, the Normed chi-square statistic (CMIN/DF) of 2.436 was below 3 which shows a better fit (Kline, 2015). The Root Mean Square Error of Approximation (RMSEA) of .069 with a 90% confidence interval falls within .54 and .83 which also suggests a superior fit of the model (Bryne, 2016). Furthermore, Standardized Root Mean Square Residual (SRMR), Goodness-of-Fit Index (GFI) of .044 were less than .08, whilst the Goodness-of-Fit Index (GFI) and Adjusted Goodness-of-Fit Index (AGFI) of .935 and .900 also fall within the proposed limit of .90, which point to an acceptable model respectively (Hu & Bentler, 1999). The Comparative Fit Index (CFI), Non-Normed Fit Index (NNFI), and Incremental Fit Index (IFI) were .954, .939, and .954 were also above .90, demonstrating superior model fit respectively (Hu & Bentler, 1999; Hair et al., 2014).

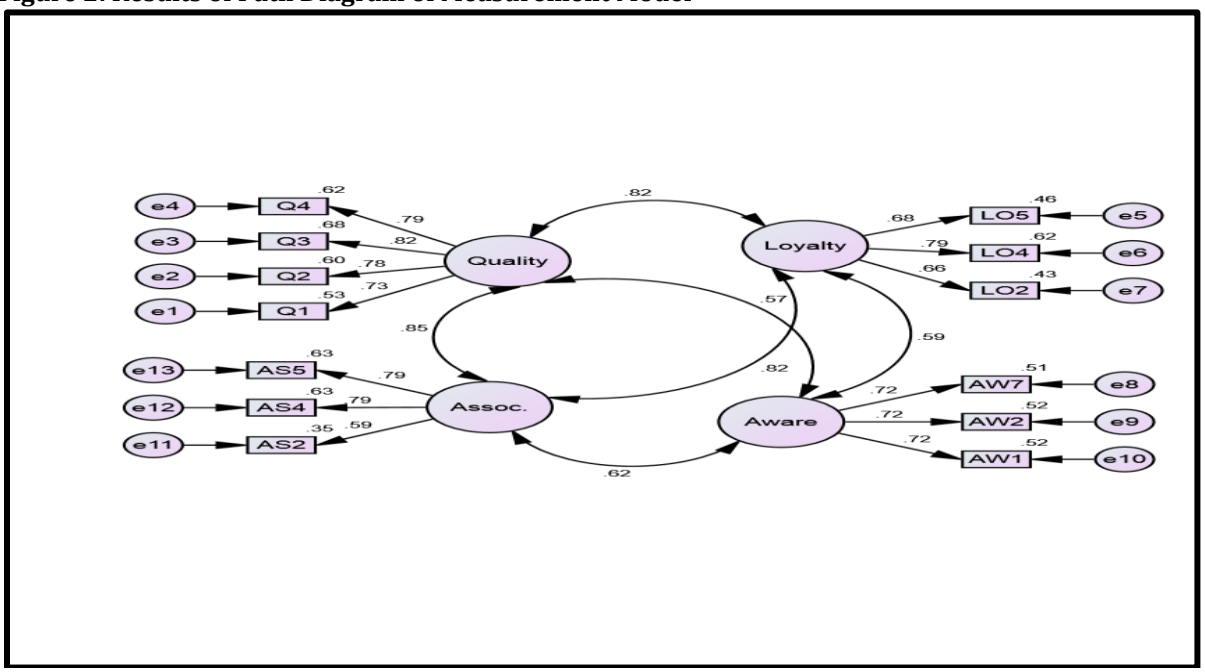
Table 3: Results of the Measurement Model

Constructs and Test Items		Standardised Loadings	t-value
Brand awareness			
BW1	I know what X looks like	0.719	10.023
BW2	I can easily recognise X among other competing brands	0.718	10.017
BW7	I am very much aware of X	0.715	— [a]
Brand association			
BA2	X gives me a reason to buy over other competing brands	0.594	— [a]
BA4	I like the company which makes X	0.794	10.193
BA5	I trust the company that makes X	0.794	10.193
Perceived quality			
PQ1	X is safe for use	0.728	— a
PQ2	X functions perfectly	0.776	12.998
PQ3	X is a very reliable product	0.822	13.762
PQ4	The quality of X is very high	0.790	13.229
Brand Loyalty			
BL2	I would not buy other brands if X is available at the store	0.659	9.853

BL4	I am still willing to buy X even if its price is a little higher than that of competing brands	0.786	11.260
BL5	I always buy X	0.679	— [a]

Notes: X = Focal brand; **a** = path parameter was set to 1, therefore no t-values were estimated; all loadings are significant at p < 0.001 level.

Figure 2: Results of Path Diagram of Measurement Model

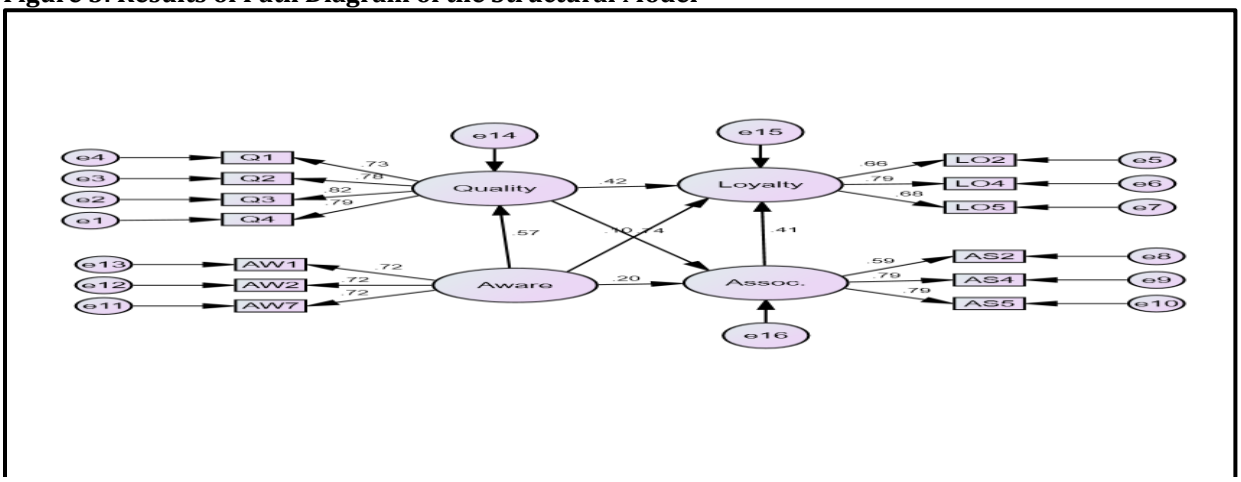


Path Model: The path analysis was conducted to assess the statistical significance of the hypothesised relationship between the latent variables in the research. Here, BA and PQ are exogenous constructs, whilst BAS is an intervening construct, and BL is an endogenous construct. Given the Chi-square statistics (X^2 = 143.717, df = 59, p < .001), the other indices of the path model supported the path model; CMIN/DF = 2.436; SRMR = .044; GFI = .935; AGFI= .900; IFI = .954; NNFI = .939; CFI = .954; RMSEA = .069. Table 4 exhibits the results of the path model which report that BA (ß = .200, t = 2.872) and PQ (ß = .741, t = 8.066) are significant and directly influence the BAS at p < 0.001, supporting H2 and H4 respectively. Besides, the results demonstrate that BA (ß = .566, t = 7.396) is significant and positively affects PQ. This outcome confirms H3. However, the relationship between BA (ß = .101, t = .183) and BL is positive but is statistically insignificant at p < .05, and thus, H1 is not supported. Also, the path analysis demonstrates that PQ (ß = .415, t = 3.006) and BAS (ß = 0.405, t = 2.629) are statistically significant and directly influence BL. These results also provide support to H5 and H6 respectively.

Table 4: Results of Path Model

Hypotheses	Structural Relations	Standardised Estimates(β)	t-value	p-value	Results
H1	Brand loyalty <---------- Brand awareness	0.101	1.331	0.183	Not supported
H2	Brand association <-------- Brand awareness	0.200	2.872	0.004	Accepted
H3	Perceived quality <-------- Brand awareness	0.566	7.396	0.000	Accepted
H4	Brand association <-------- Perceived quality	0.741	8.066	0.000	Accepted
H5	Brand loyalty <---------- Perceived quality	0.415	3.006	0.003	Accepted
H6	Brand loyalty <---------- Brand association	0.405	2.629	0.009	Accepted

Figure 3: Results of Path Diagram of the Structural Model



Test for Mediation: This paper also aimed to analyse the mediating effect of BAS on the path between BA and BL (H7), and between PQ and BL (H8). Baron and Kenny (1986) noted that a test for the mediational model involves a three-step approach; (1) regressing the mediator on the independent variable; (2) the dependent variable on the independent variable; and (3) the dependent variable on both the independent variable and the mediator. Guided by this approach, the mediational relationships were tested through a bootstrap re-sampling of 2 000 and 95% bias-corrected confidence level. Table 5 exhibits the results of the test for the mediational model, which reveal that the direct relationship between BA (ß = .101, t = .956, p = .326) and BL is statistically insignificant at p < .01. However, the analysis also indicates that the indirect relationship between BA (ß = .486, t = 4.089, p = .002) and BL is significant at p < .001. These results demonstrate that BAS perfectly mediates the relationship between BA and BL. The outcomes of the analysis also show that the direct effect of PQ (ß = 0.415, t = 2.438, p = 0.034) on BL is significant at p < .001. The analysis also demonstrates that the indirect effect of PQ (ß = .300, t = 2.216, p = .009) on BL is statistically significant p < .001. These indicate that BAS partially mediates the path between PQ and BL.

Table 5: Results of Mediating Test

Hypotheses	Structural Relations	Direct without Mediator	Direct with Mediator	Indirect Effect	Results
H7	Loyalty<---Association<--Awareness	.101(.326)**	.200 (.003)**	.486(.002)***	Full Mediation
H8	Loyalty <--- Association <--- Quality	.415 (.034)***	.741(.001)***	.300(.009)***	Partial Mediation

Notes: ** = Not statistically significant**; *** =** Statistically significant

Discussion of Findings

The research sought to identify the impact of BA and PQ on BL via the mediated effect of BAS in the traditional health industry. This paper found that BA positively strengthens the PQ of herbal medicinal products in the traditional medicine market. This is consistent with the findings of prior studies (Buil et al., 2013; Hyun & Kim, 2011), which indicate that a high level of BA significantly increases consumers` perceptions of brand quality. This outcome also supports the current literature (Aaker, 1992), which establishes that consumers usually associate high quality to well-known brands that generate a greater commitment to the brands. Besides, the research points out that BA enriches the beliefs registered in the minds of consumers about the brands sold in the traditional health market. This result is similar to the outcomes of earlier research (Hyun & Kim, 2011; Pike et al., 2010), which demonstrate that awareness significantly enhances brand association. However, the results also indicate that consumers` awareness has no direct influence on their loyalty to the brands. This concurs with the results of the past study (Hyun & Kim,

2011; Im, Kim, Elliot & Han, 2012), which found that BA does not have a direct impact on loyalty. Arguably, BA alone is not very powerful to create substantial value to enhance the loyalty of the brands.

In contrast, the findings of this research showed that awareness increased BL via the indirect impact of awareness and quality of the brands. This result strongly supported the position of earlier authors (Chen, 2001; Campbell, 2002; Keller, 1993), who contended that PQ is one of the vital aspects of BAS consumers linked to strong brands. Also, similar to the outcomes of the earlier research (Hyun & Kim, 2011; Gil et al., 2007), this paper confirmed that favourable BAS directly affects customers` loyalty to brands in the market. Besides, consistent with the outcomes of past research (Hyun & Kim, 2011), this paper found that a high level of PQ of plant medicines strengthens the BL in the market. Thus, customers are loyal to brands that appear to be of lower risk, reliable, and of high performance. The study also pointed out that, among the constructs, perceived quality ($\beta = 0.741$) has the greatest impact on loyalty. This supports the findings of a past study (Hyun & Kim, 2011), which revealed that PQ has a stronger influence on loyalty compared to any assets of brand equity. Finally, the research also established that BA and PQ positively affect BL through the impact of the association in the traditional health market. These findings support the position of Aaker (1991) and Keller (1993) who proposed that the antecedents of strong brands with high equity interact.

5. Conclusion and Recommendations

Recommendations: Guided by the outcomes of the research, the following recommendations are made which have implications for the herbal practitioners in the industry.

- The results of this paper indicated that BA does not directly influence the BL of herbal medicinal products in the market. Therefore, traditional medicine practitioners need to design strategies to enhance the current level of awareness of their brands that will translate into the customer`s loyalty in the market.
- This paper also found that a high level of brand awareness positively affects the PQ and BA of herbal medicinal products. Hence, herbal practitioners should develop and exploit BA to strengthen the BAS and PQ of herbal medicines in the market.
- Moreover, this research established that BA strengthens loyalty through the intervening role of the association. As a result, herbal practitioners should consider BA and BAS as necessary pre-requisite to enhance BL in the plant medicine market.
- The research also revealed that PQ positively affects BL and BAS in the plant medicine market. To develop association and loyalty, traditional medicine practitioners should improve the perceived quality of herbal medicines.
- Besides, this paper confirmed that increased PQ of herbal therapies enriches the customers` loyalty partly due to the impact of association in the traditional health market. Consequently, to build loyalty, traditional medicine practitioners should enhance the PQ of herbal medicinal products along with association in the market.

Conclusion: This paper was set out to identify the influence of BA and PQ on BL via the intervening impact of BAS in the traditional health market. The results of this paper established that awareness enhances perceived quality and association. In this fashion, brand awareness is recognised as an essential initial step in developing a strong association and the perceived quality of brands in the traditional health industry. Besides, the outcomes of this paper confirmed that the relationship between BA and BL was positive but not significant. However, BA positively affects BL via the indirect impact of BAS. This suggests that, although BA is essential, it is not a sufficient condition to enrich BL in the traditional health market. The results of the study revealed that high PQ directly affects association in the traditional health market. Also, among the constructs, the findings indicated that PQ has the greatest impact on BL. Thus, PQ is considered a key antecedent of BAS and BL, which when enhanced can increase favourability of association and engender greater BL in the traditional health market. The outcomes of this paper also established that BAS partially mediates the impact of PQ on BL, but acts as a complete mediator on the influence of BA on BL. The study, therefore, concludes that BA, BAS, and PQ are the key antecedents of loyalty, and they interact to add value to a brand in the traditional health market.

Limitations and Direction for Future Research: The methodology adopted to attain the objectives of this research was robust and sound but has limitations that necessitate future studies to improve upon its generalization. This research selected the herbal medicines produced by Ghanaian firms which did not include complementary or alternative medicines (CAM) that are considered foreign to the country`s culture. To enhance the generalisation of this research, future research should include both traditional herbal medicines and complementary or alternative medicines sold in the herbal shops in Ghana. Moreover, consumers who purchased herbal medicines from the in-store environment were selected as the participants in this paper but did not include those who buy from the market space. Future research should consider those who shop on the marketspace to improve on the generalization of this paper. Furthermore, the study employed quantitative research methods to determine the customer perceptions of PQ, BAS, BL, and BA of herbal medicinal products in the industry. Future research should consider using qualitative research methods to study the customers' perceptions of quality, BAS, BA, and BL in the traditional medicine market.

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The Effect of Local Expenditure, Local Wealth Level, Audit Opinion, and Audit Findings on the Performance of Indonesian Local Governments

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Abstract: This study aims to determine the effect of local expenditure, local wealth level, audit opinion, and audit findings on the performance of local governments. This study uses the quantitative method, the hypothesis testing with multiple linear regression analysis was used, using SPSS version 23. The population is the local governments of Districts/Cities in Indonesia. The sample is 489 data samples were collected. Results obtained from testing showed that local expenditure, local wealth level, and audit opinion significantly affect the performance of local governments. Meanwhile, audit findings do not have a significant effect towards the Performance of Local Governments. Future studies are expected to be able to add more variables that have not been used in this study, such as government size, local standing, and intergovernmental standing.

Keywords: *Local expenditure, local wealth level, audit opinion, audit findings, performance.*

1. Introduction

In the implementation of region autonomy according to relevant laws that apply, the central government delegates authority and responsibility towards local governments in managing and promoting the welfare of the people (Noviyanti & Kiswanto, 2016). The President Law No. 105 Year 2000 attaches a standard for local finance management, which can be accounted for based on the principles of fairness and obedience. With the goal towards good governance, performance measurement becomes one of the fundamental factors. This must also be supported by the operational characteristic of an entity, as well as assessment towards the various indicators of performance in each local government. This function comprises of the rate of efficiency and effectivity of the operational execution of activities which aim to reach the goals and targets that have been set. The President Law No. 6 Year 2008 states that one of the evaluations towards the execution of local governments is the performance evaluation of the execution of local governments (EKPPD). Furthermore, this regulation is complemented by the Minister of Internal Affairs Law No. 73 Year 2009 regarding the evaluation procedure of performance evaluation of local government execution, as well as Clause 5 of the Minister of Internal Affairs Law No. 73 Year 2009, which states that the EKPPD uses the LPPD as the main source of information. The implementation of EKPPD is done to evaluate the performance of local government execution to increase performance based on the principle of good governance. The EKPPD method is used by assessing the total composite index of the performance of local government execution. The total of the index is the addition of assessment results that cover work performance, and index of material relevance.

The index for work performance is measured by assessing the decision making level aspect, and analysis towards performance interpretation (Peraturan Pemerintah RI Nomor 6 Tahun 2008). The accountability principle is the basis of good governance management, and is the main goal in the reformation of the public sector. The implementation of this principle in the governmental sector is done through the explanation of information and disclosure of financial and non-financial activities that include both the central government and other parties that possess the authority to have knowledge on the said reporting (Bappenas, 2002). The LKPD is a comparison document used to assess financial performance, which will later be audited by the BPK in testing the worthiness of the financial report (Noviyanti & Kiswanto,2016). Obtaining the Unqualified opinion indicates a commendable effort, however it is not the main responsibility of the local government that produces an accurate financial report. Due to this fact, there are still many frauds that negatively impact the region (Amirsyah, 2019). Based on the IHPD BPK SEMESTER I (2018), there are still reductions in opinions in the last 5 years (2013-2017), which were given by the BPK to the local government, as a result of a weak internal control system and disobedience towards regulations. Aside from the development of opinion in each region, other problems related to the 3 E aspect (Economy, Efficiency, and Effectivity) were still found. This causes material losses towards the country. It is caused by the ineffectiveness in standards or guidelines, ineffectiveness of governance in the entity, lack of data sources in the educational aspect, and other factors

related to effectivity monitoring (IHPS BPK, 2014). A distinct characteristic in a local government can be categorized in its revenue.

Based on the excellence, of a local government in producing output based from a financial aspect, or people's prosperity. Support from those influential potentials becomes the distinguishing characteristic of a region, especially in regards to the wealth of the region, which originated from local own-source revenue, retrieved from the region's tax, retribution, result of local wealth management, and other lawful local revenue (Alpi & Ramadhan, 2018; Ermawati & Aswar, 2020). The significant strengthening of funds is expected to be able to increase the aspect of regional independence optimally, a special form of public service activities, and de-bureaucracy of governmental governance. However, this expectation has not been fully realized. Due to this, it can aid the increase of the quality of Local Budget expenditure, which includes budgeting, which includes the utilization of technology and information to create performance optimization. Furthermore, the aim of this study is to determine the effect of local expenditure, local wealth level, audit opinion, and audit findings, towards the performance of local governments.

2. Literature Review

Theory: This study utilizes the agency theory. The concept of the agency theory in the public sector involves three parties, which includes the first party, the auditor, which is the party that audits the accountability of the second party towards the third party, and provides attestation towards the third party. The principal is represented by the people's representatives, which are the DPR/DPD/DPRD (The National/Regional/Local House of Representatives). The second party (auditee) is the entity or government that executes the management function (agent), which is the entity that is responsible towards the third party, whose accountability is checked by the first party. The third party (acceptor of accountability and audit findings) is the BPK RI (Audit Board of the Republic of Indonesia) as an audit function, which is to request liability from the second party, and receive the audit findings report from the first party (Rai, 2008).

Local Government Performance: The President Rule No. 8 Year 2006 states that performance is the output or result of an activity or program that has or will be achieved in relation to the usage of the budget, whose quantity and quality can be measured. The performance of local government execution is the achievement of the execution of local governmental affairs that is measured through input, process, output, results, benefits, and impacts (Putri & Aswar, 2020). The President Law NO. 6 Year 2006 has explained the definition of the EKPPD, which is a process of data collection and analysis conducted systematically, towards the performance of local government execution. In the performance measurement system, information is mainly sourced from the LPPD, as well as other complementary information such as the accountability report of the Local Budget execution, local financial information, and performance reports in institutions within the local government. According to Zai (2016), the aim of the EKPPD is to determine the success of local government execution in regards to the utilization of rights achieved by the region with a planes output and outcome achievement, conducting comparisons towards the performance achievement rate of one region to another in the provincial and national area, as well as becoming feedback and recommendation for the region to drive the increase of the performance of local government execution.

Hypothesis Development: The development of hypothesis in this study is based on factors that are suspected to have an effect towards the increase and decrease the performance of local governments in Indonesia.

Local Expenditure: The criteria of local expenditure can be detailed in economic characteristics and function characteristics, which are: subsidies, grants, and social aid, all of which has an individual role in its function as a local government project regarding the construction of residences and public facilities, the wide reach of tourism in each region, religious facilities, education, as well as social protection (Pradana, Sudrajat, & Amah, 2019). According to Alhajjriana, Nor, and Wijaya (2017), there are types of local expenditures, such as direct and indirect expenditure, as well as expenditures for mandatory government affairs and voluntary affairs with the same objective, which is to upgrade the people's quality of life, provide better services to the people, as well as providing proper facilities to the public.

One of the successes of local government performance are indicated by the increase of infrastructure construction that is arranged based on the portion in the Local Budget. In the agency theory relationship, the local government is the agent of the legislation and public, in which there is a tendency for one or both parties to maximize their own interest. During the budgeting of local expenditure, a budgetary slack may occur, which is the amount of budgeted local expenditure that does not reflect the real local expenditure, and therefore renders performance that is not optimal. A study by Muid (2014) showed that local expenditure does not have a significant effect towards the performance of local governments in Districts/Cities in the West Java Province.
H_1: Local Expenditure has a significant effect towards the Performance of Local Governments in Indonesia.

Local Wealth Level: Artha et al. (2015) assumed that the wealth level of a local government can be viewed from the total amount of Local Own-Source Revenue (PAD). This can be stated, since there are several factors that support the revenue of a region, viewed from its resources management. Local government performance that has an additional value towards its Local Own-Source Revenue is deemed to be capable in increasing the independence of its region's own potentials. This strengthens the role of the local government as an agent that receives authority from the central government, which can be trusted in managing their own region's resources. The success of the local government in increasing local wealth through Local Own-Source Revenue, will in the end increase the performance score that is received from the central government (Qowi, Jatmiko, & Prabowo, 2017). In the perspective of the agency theory, the success of a local government in undertaking its role as an agent can be viewed from the performance of the local government in executing its authorities to manage their own resources, in which one of the indicators can be seen from the amount of Local Own-Source Revenue (PAD). The studies conducted by Artha et al. (2015); Muid (2014); Qowi et al. (2017); as well as Sudarsana and Rahardjo (2013), showed that local wealth level has a significant effect towards the performance of local governments.
H_2: Local Wealth Level has a significant effect towards the Performance of Local Governments in Indonesia.

Audit Opinion: According to Andani and Respati (2019), the obtainment of an unqualified opinion enables a local government to be assessed well and its financial reports can be trusted. The fulfillment of financial reports follows standards, disclosures, obedience towards regulations, and effectiveness of the internal control system. The performance of a local government that obtains an unqualified audit opinion will also indicate a good EKPPD score as well. This assessment is proxied from various assessments within the reporting of the EKPPD. The higher the audit opinion produced, the better the performance of the government. The agency theory states that to achieve optimal results sustaining from the unqualified audit opinion, local governments must always provide complete information to the principal, which is the people, in order to not provide excessive information asymmetry. The studies conducted by Andani and Respati (2019); Dewata et al. (2018); as well as Sutopo dan Siddi (2018), showed that audit opinion bas a significant effect towards local government performance.
H_3: Audit Opinion has a significant effect towards the Performance of Local Governments in Indonesia.

Audit Findings: Audit findings attach case findings of the BPK towards local government financial reports regarding violations that has been conducted in a region towards conditions of internal control or regulations that apply. Follow-ups that are executed well will provide a quality result of the financial report, which can reflect good governance. This effort by the local government would certainly impact regulations regarding services to the people, in order to promote the people's welfare. Therefore, more audit findings show improper financial management in a local government, which would affect the performance measurement of the local government. In the implementation of the agency theory, the local government acts as an agent, and the people act as the principal, in which information asymmetry can possibly occur. This is due to the fact that local governments possess more information regarding the resources owned by the region, compared to the people, and only prioritizes its own interest. Therefore, this increases the number of BPK examinations. Examinations by the BPK should be able to be set as a mechanism to minimize risks in the local government scope. The study conducted by Susanti et al. (2016) shows that audit findings has an effect towards local government performance.
H_4: Audit Findings has an effect towards the Performance of Local Governments in Indonesia.

3. Research Methodology

The population used in this study is all the District/Cities governments in Indonesia of 2017, which consists of 396 Districts and 93 Cities. The district/city governments were selected based on the phenomenon of this study, which shows that performance cases in Indonesia are most prevalent in district/city governments. The sample technique used in this study is the purposive sampling method. The hypothesis testing method used in this study is multiple regression method, aided with the SPSS version 23 program. In this study, data of local expenditure was retrieved from local government financial reports, namely the Budget Realization Report of 2017. Local expenditure was calculated from the total of local expenditure by transforming the total local expenditure of the local government into the form of a natural logarithm form (Alhajjriana et al. 2017).
Local wealth level was calculated using Local Own-Source Revenue. According to Amyulianthy et al. (2016), the wealth of a local government is proxied with the ratio of local own-source revenue towards total revenue. Meanwhile, according to Dewata et al. (2018), the measurement of local wealth level can be calculated from the total of local own-source revenue and total revenue. Audit opinion is the assessment of Local Government Financial Reports that are given by the BPK to the local government. According to Aswar (2019), measurement for an unqualified audit opinion is scored 5, Modified Unqualified audit opinion is scored 3, adverse audit opinion is scored 2, and Disclaimer audit opinion is scored 1. Audit findings are cases found by the BPK towards local government financial statements on violations that a region has conducted towards regulations that apply. According to Susanti et al. (2016), disobedience towards regulations can cause losses in the region, potential losses in the nation/region, lack of income, administrative weakness, inefficiency, and ineffectiveness. This variable utilized the amount of audit findings on the Examination Findings Report (LHP) related to weaknesses in the internal control system, and disobedience towards regulations.

4. Empirical Findings and Discussion

The effect of local wealth level towards the performance of local governments. This result is also in line with the study conducted by Muid (2014), which used samples from Districts/Cities in the Central Java Province for the period of 2009-2011. In the perspective of the agency theory, the success of a local government as an agent from the central government can be viewed from the local government's performance in executing authorities in managing its own region. In addition to that, the study conducted by Sudarsana and Rahardjo (2013) and Qowi, Jatmiko, & Prabowo (2017), which used samples from Districts/Cities in Indonesia for the period of 2010-2012. This study conducted a series of analysis, which consists of: descriptive statistics, and hypothesis testing, using the multiple linear regression method. The process of data analysis was done using the Statistical Package for Social Sciences (SPSS) application. The descriptive statistics of the research data is shown in Table 1.

Table 1: Descriptive Statististics

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Local Expenditure (LE)	453	26.83	30.33	27.8124	0.51959
Local Wealth Level (LWL)	453	0.0047	0.8515	0.1401	0.10623
Audit Opinion (AU)	453	1	5	4.5	0.99
Audit Findings (AF)	453	5	30	14.26	4.517
Performance of Local Government (PLG)	453	1.9434	3.4404	2.9013	0.24642

The Performance of Local Government shows that the minimum score is 1.9434 and standard deviation is 0.2464. Furthermore, Local Expenditure showed a standard deviation of 0.51959, which can be interpreted that the mean is larger than the standard deviation, meaning that the data possesses homogeneity. The Local Wealth Level showed a standard deviation of 0.1062366 which can be interpreted that the mean is larger than the standard deviation, meaning that the data possesses homogeneity. Audit Opinion showed a standard deviation of 0.99 which can be interpreted that the mean is larger than the standard deviation, meaning that the data possesses homogeneity. Audit Findings of District/Cities in Indonesia has a nominal of 14.26 with a

standard deviation of 4.517, which can be interpreted that the mean is larger than the standard deviation, meaning that the data possesses homogeneity (Sekaran & Bougie, 2013). The classical assumption test, consisting of the normality test, heteroscedasticity test, and multicollinearity test, shows that all classical assumption tests have been fulfilled and the double linear regression test can be performed. The hypothesis testing used the multiple linear regression test shown in Table 2.

Table 2: Result of Multiple Regression Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(*Constant*)	1.190	0.576		2.067	0.039
	LE	0.043	0.021	0.090	2.027	0.043
	LWL	0.856	0.104	0.369	8.234	0.000
	AO	0.097	0.009	0.391	10.425	0.000
	AF	-0.003	0.002	-0.050	-1.371	0.171

Based table 2, the first hypothesis is the effect of local expenditure towards the performance of local governments. Analysis done using the partial test (t-test) shows that local expenditure coefficient is positive, which means that an increase in Local Expenditure will in turn increase the performance of the local government. Therefore, it can be concluded that H_{a1} is accepted, which means that Local Expenditure has an effect towards the Performance of Local Governments. The result of this study is not in line with Muid (2014), who conducted a study using samples from Districts/Cities in the West Java Province for the period of 2009-2011. Therefore, Local Expenditure does not have an effect towards the Performance of Local Governments. Local Expenditure has a positive effect towards the performance of local governments, which means that local expenditure in each local government is able to execute its region's duties in increasing the life quality of the people, providing good services to the people. As well as realizing proper facilities for the public. Infrastructure is built based on the portion in the Local Budget, and reflects the real capacity of local expenditure, in producing optimal performance. Local Expenditure, which is defined as the deduction of net wealth in a relevant budget year, must have a real impact and potential to promote the people's welfare, as well as the conditions and potentials of each region's strengths. It is also a development of standards used for performance evaluation, and instrument to motivate employees, and as a coordination tool for all activities from various work units. Therefore, the more Local Expenditure that is budgeted in every local government, also requires full responsibility for each local government.

To manage that local expenditure. This can be implemented according to the agency theory, which explains that the central government and the local government must collaborate when doing budgeting, so that there is no budgetary slack, to reflect that the local expenditure capacity can produce optimal performance. The result is proven in this study with the largest local expenditure budget belonging to the Madiun District, with Rp.14,804,230,828,255.70, with an EKPPD score of 3.2240, which is included in the national first rank of provincial local governments, which is the East Java Province. Analysis done using the partial test (t-Test) shows that local wealth level coefficient is positive, which means that an increase in Local Wealth Level will in turn increase the performance of the local government. Therefore, it can be concluded that H_{a2} is accepted, which means that Local Wealth Level has an effect towards the Performance of Local Governments. This result is in line with the study conducted by Artha, Basuki, & MT (2015), which used samples from Districts/Cities in the NTB Province for the period of 2011-2013. Therefore, this result is in line with the study result which states that an increase in budgeted local expenditure, will increase the score of the local government's performance. The result of the study showed that the Local Wealth Level variable has a significant and positive effect. Therefore, an increase in local wealth level will increase the score of the local government's performance. Local Wealth Level meant in this study uses the total of Local Own-Source Revenue.

Local Wealth Level has a positive effect towards local government performance, which means that a local government with a large Local Own-Source Revenue explains its success in acting as the agent that receives authority from the central government in managing its own region's resources. This success indicates that the local government can increase the performance score received from the central government. Local Own-Source Revenue is the representation of the realization of a region's capacity in utilizing potentials as best as possible. The larger the Local Own-Source Revenue generated, the more financially independent the region in funding its government as a service effort to the people, and are expected to manage and utilize the wealth that they have well. The result of the study showed that Local Expenditure does not have a significant effect. This also provides a correlation success factor of region autonomy. An increase in Local Own-Source Revenue can affect the increase of total revenue and infrastructure of local government performance. A large Local Own Source Revenue shows the success of a local government that acts as an agent that receives authority from the central government. To manage their own region's resources this result is proven in this study with the Wealth Level, assumed to use the value of local own-source revenue, belonging the Bandung District with Rp.3,949,679,204,306.49, and an EKPPD score 3.2534 is the highest in the nation and among districts with a status of VH (Very High). Similarly, the Tangerang District with Rp.2,814,684,784,439.83 and an EKPDD score 2.8858 has a status of H (High) in the rank and status of district government performance nationally.

Therefore, this study states that the increase of Local Wealth Level shows an increase of local government performance, score received from the central government. The third hypothesis is the effect of audit opinion towards the performance of local governments. Analysis done using the partial test (t-Test) shows that audit opinion coefficient is positive, which means that an increase in Audit Opinion will in turn increase the performance of the local government. Therefore, it can be concluded that H_{a3} is accepted, which means that Audit Opinion has an effect towards the Performance of Local Governments. This result is in line with the studies conducted by Andani & Respati (2019); Aswar (2019); Dewata et al. (2018); as well as Sutopo and Siddi (2018), which used samples from Districts/Cities in the whole of Indonesia in the period of 2010-2018. The result of the study showed that Audit Opinion has a significant and positive effect. This means that more Unqualified audit opinion received shows better performance in the local government. Audit Opinion has a positive effect on the performance of local government, which means that unqualified audit opinions obtained show that the financial results are reliable, and becomes evidence for the financial statements made. Local governments that obtain an unqualified audit opinion, have a higher performance based on EKPPD score, since the local government is able to manage its finances well.

The more Unqualified audit opinions obtained, the more the responsibility towards the financial report, which increases public trust. However, a good audit opinion must be complemented with supporting data. Regulations in districts and cities can increase the caution regarding the management of its region's finances. A better audit opinion indicates a better local government performance. According to the agency theory that applies, local governments must undertake their duty to provide complete information to the principal, who is the people; therefore, it would not cause excessive information asymmetry. This result is proven in this study, using the unqualified audit opinion given to the City of Makassar, which is scored 5 with an EKPPD score of 3.4404. Similarly, the Sidoarjo District was also given a score of 5, with an EKPPD score of 3.4108. Therefore, the result of this study states that more Unqualified audit opinions obtains indicates better local government performance. Lastly, the effect of audit findings towards the performance of local governments. Analysis done using the partial test (t-Test) shows that audit findings does not have a significant effect towards the performance of local governments, with a negative coefficient. Therefore, it can be concluded that H_{a4} is rejected, which means that Audit Findings does not have a significant effect towards the Performance of Local Governments. This result is not in line with the study conducted by Susanti et al. (2016), which used samples from Districts/Cities in Sumatera in the period of 2010-2013.

The result of the study showed that Audit Findings has a significant and positive effect. This means that more Audit Findings found, the better the performance in the local government. However, this result is in line with the study conducted by Artha et al. (2015), which used samples from Districts/Cities in the NTB Province for the years 2011-2013. The result of the study showed that Audit Findings does not have a significant effect. This can be interpreted as the local governments in Districts and Cities in the NTB Province have acted quickly in making reparations based on the examination result recommendations. The Audit Findings explained originate from the total number of violation cases in terms of internal control and disobedience

towards regulations, which are included in the BPK's examination results report. The result in which the BPK's audit findings does not have a significant effect towards the performance of local governments, is presumably due to the fact that the recommendations in the examination result were quickly followed up by each local government, so that it does not affect the execution of duties or government affairs. With the implementation of the agency theory, the local government always provides information and supporting documents to the BPK, as completely as possible, to decrease the possibility of information asymmetry.

5. Conclusion

This study aims to determine the effect of Local expenditure, local wealth level, audit opinion, and audit findings, towards the performance of local governments. Upon analysis and hypothesis testing, it can be concluded from this study that Local Expenditure that has been budgeted must have the potential to promote the people's welfare by realizing proper facilities for the public. Local wealth level, which can be determined from local own-source revenue, can elaborate the success of a local government in managing its own local resources as a realization of the capacity representation of a region by utilizing potentials as best as possible. An Unqualifies opinion, given by the BPK, can explain that a local government has executed proper and accountable financial management. Audit Findings does not have a significant effect towards the performance of local governments, presumably since the recommendations attached in the results can be quickly followed up by each local government, and therefore does not influence the execution of duties of governmental affairs. For the local government in Districts/Cities, it is hoped that the result of this study can provide information, to review the performance system of local governments in order to decrease fraud related to performance done by local governments in Indonesia. The further study is able to add more variables that have not been used in this study, such as using government size, local standing, and intergovernmental standing. For the measurement of audit findings, it is advised to use the total audit findings which use the Rupiah value, in order to be able to determine losses in detail.

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Electronic Banking and Profitability in the Nigerian Banking Industry

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Abstract: The primary objective of this study was to assess the impact of electronic banking on profitability in the Nigeria banking industry. An inferential survey research design was adopted. Primary data were collected through questionnaires from both staff and customers of the surveyed bank. It was complemented with secondary data sourced from the company's audited financial statements for the period 2010 to 2017. Data collected were analyzed using both descriptive and inferential statistics while testing of the hypotheses was done using multiple regression analysis. The study revealed that cards play a significant role more than other channels and immediately followed by ATM. Also, it was observed that E-Banking channels contributed to Bank's profitability, that E-banking services (EBS) had an influence on the retention and loyalty of bank's customers and that the quality of service, security, reliability and efficiency have a definite impact on the usage of the services of e-banking. It was recommended that the Nigerian banking industry should invest more in card products, followed by ATM amongst other electronic channels; as they generate more revenues for the bank. The study also recommended further development of other channels (Mobile, Corporate Payments, POS and internet banking) to further enhance their contribution to the bank's profitability. Nigerian banks should also create a business strategy that is customer-centric by being continuously innovative in identifying the needs of their customers and improving on their products offering while developing new ones, to retain and keep the loyalty of their existing customers while attracting new ones.

Keywords: *Electronic banking; profitability; banking industry; regression analysis; Nigeria.*

1. Introduction

The prevalence of Internet services along with the fascination of e-business which is on the increase globally has forced cash transactions movement to give way to pay via electronic platforms. Since accepting this steadily increasing digital way of life, substantial changes have occurred in customers' expectations from financial services providers (Matira & Awolusi, 2020; Salehi & Alipour, 2010). It is estimated that with its value of about US$540billion in the year 2015, e-commerce value in China will exceed that found in the UK, Germany, France, Japan, and the U.S combined by the year 2020 (Rauf, 2014). According to Kaur (2013), more people shift from doing transactions on paper to electronic means of doing transactions due to the lower cost involved in doing transactions electronically. Furthermore, technology is currently regarded as the key contributing factor to the success of organizations in general and banks in particular. Hence, banks, either foreign or local are consistently investing more towards giving their customers access to new technologies via e-banking because of the response and actions exhibited by the customers towards technology acceptance. This is consistent with the social construction of technology theory where the actions exhibited and displayed by humans are what put technology in shape (Blazi & Awolusi, 2020).

Similarly, a remarkable upsurge in the number of persons that have adopted the internet and mobile banking which has been attributed to acceptance and user-friendliness, along with the number of mobile phone users because what determines the use of a system is the behavioral intent to make use of the system (Awolusi, 2012). This is also consistent with the Technology acceptance model about the internet and mobile payments. There is also an increasing partnership between financial institutions with non-financial service providers in which consumers via the usage of e-banking channels (Mobile banking etc.) can pay various utility bills on the banks' application platforms. Incorporated in the year 1989 as a commercial bank with private ownership and subsequently listed on the floor of the Nigerian Stock Exchange in the year 1998, Access bank Plc (Access) renders services to their clients through its various business divisions that comprise business banking, corporate and investment banking, commercial banking and personal banking. There has indeed been an evolution in Access from obscurity as a local bank in Nigeria to a global standard financial institution in Africa that has relished what could arguably be regarded as the most successful growth curve in banking.

In Africa in the past ten years, standing amidst the top 20 banks in Africa by total assets and capital in the year 2011. There is indeed a considerably superior performance by organizations whose strategic styles are matched with their environment than those that theirs are not matched (Reeves et al., 2012). Similarly, in the Nigerian banking industry today, they are amongst the five largest banks in terms of branch network, deposit, assets and loans; an accomplishment which has been realized via providing committed, innovative and sustainable long-term solutions to their clients' banking needs (Accessbank.com). According to Eccles and Serafeim (2013:4) as the environmental, social, and governance (ESG) performance of organizations improves, their financial performance declines once there is no significant as well as considerable innovation. Driven by their vision and focusing on their mission, they have had only two CEO's since 2002 in the persons of Aigboje Aig-Imoukhuede who was appointed by the board in March 2002 as the Managing Director/Chief Executive Officer before he retired in 2012 and the Deputy Managing Director, Herbert Wigwe took over as the Managing Director/CEO till date. At present, their banking operations which are constantly looking at expanding its services in Africa cut across over 365 networks of branches around the state capitals and commercial city centres in Nigeria as well some African countries which include; Democratic Republic of Congo, Zambia, Rwanda, Sierra Leone, Ghana, Gambia and in the United Kingdom. As quipped by Pitt and Koufopoulos (2012), the business activities of banking are influenced substantially by the changes in economic factors that are its issue-drivers.

Their strategic focus is to profitably provide consistent economic growth in a sustainable manner that takes cognizance of the social as well as the environmental impact of their operations (Awolusi & Akinruwa, 2014). According to Collins (2001:144), technology facilitates quick implementation of strategy, enables change and also enables a firm to be ahead of its competitors. Access bank has indeed been able to create economic returns which are sustainable through the use of technology and execution of the bank's digital banking plan. Hence, its selection as a case study in addition to their consistent performance part of which electronic banking plays a significant role. The Basel Committee on banking supervision defined *e-banking* as "the provision of retail and small value banking products and services through electronic channels". "Such products and services can include deposit-taking, lending, account management, the provision of financial advice, electronic bill payment, and the provision of other electronic payment products and services such as electronic money (Basel Committee on banking supervision, 1998 & 2003). The versatility of e-banking as a multichannel means of delivery of banking services makes it complex to be explicitly defined in literature as it is usually interpreted differently depending on one's assessing viewpoint. For example, Simpson (2002) termed it as an electronic means through which customers carry out their banking transactions without accessing the physical structure of bricks and mortar while Kricks (2009) defined it as an automated delivery, directly to the customers, innovative as well conventional banking products and services via electronic and interactive channels.

There has been a wide acceptance of electronic banking in Nigerian banks and technology has become more popular as service offering to customers have become more convenient, thereby, leading to an increase in competitiveness and profitability. There is a swift variation in the method of conducting business globally and in Nigeria, particularly which is borne from advancement in e-banking. LeBeouf (1987) has said that it is becoming progressively difficult to satisfy customer expectations. Reason being that they desire to get their money's worth the way they see it. Thus, the commencement of electronic banking in the Nigeria banking industry has fully altered the mode of operation of banks with resourceful and evident redefinition (Onikoyi, Babafemi & Awolusi, 2013; Sumra et al., 2011). Consequently, limitations of banking services in addition to physical restrictions set by locations are eliminated by electronic banking. These developments technologically have made way to groundbreaking and new ways of delivering banking products and services e.g. electronic bills payment, account management, deposit-taking, lending, Electronic Funds Transfer at Point of Sale, Mobile banking and its estimated improvement on the profitability of banks. E-banking gives customers that unique ease to carry on banking transactions at any suitable time of the day such that customers can transfer funds between accounts even across geographical borders, access funds, make purchases and pay various bills round the clock. For the banks, it boosts the brand image, increases profitability, reduces operating costs, facilitates wider reach, opens new market opportunities and improves customers' satisfaction. Even though the evaluation of most studies revealed that the profitability of banks has tremendously improved since the commencement of electronic banking, there is also diverse evidence regarding the effect of electronic banking on the result of banks.

Hence, bankers, regulators and scholars must comprehend exactly how e-banking affects banks' performance. This research is distinct from any other because it seeks to highlight the contribution in definite terms (impact) of electronic banking channels to profitability in Nigeria banking industry with Access Bank Plc as the bank of interest. Access Bank was chosen for this research because it is one of the eight systemically important banks in Nigeria and arguably one of the best as regards e-banking amongst the top five in the Nigerian banking industry in addition to their consistent growth in profitability. Despite the huge interests in the research of electronic banking which indeed has brought numerous advantages as well as benefits to banks and their customers, in terms of inadequacies regarding the adoption of electronic banking, several studies have also been examined. While banks may come across new issues which could be challenging, the major challenges to e-banking include cost, intense competition and management of risk (Kolodinsky & Hogarth, 2004; Yang et al., 2009). Indeed, competition is strong in the Nigerian banking industry landscape, though overall, it could be said to be moderate as every player is looking for ways to out-do the other for-profit maximization. Access Bank as one of the major players in the industry has their fair share of the e-banking challenges stated above just like the other players in the industry.

This is because the industry is a congested marketplace that comprises banks, advisory firms, investment banks, mortgage banks, microfinance banks, insurance companies, credit card issuers, credit unions, amongst others, all of which play actively in the industry. These players require a dependable, secure and safe ICT set-up in place and the providers of these products and services which can evaluate the ICT requirements of banks like Access and proffer solutions which empowers them as suppliers tend to be large. In the same vein, the network operators for ATM transactions and card processing who are few and large also have enormous power over the players in the industry with who they enter into partnerships. Similarly, it is costly to keep up with regulation in the banking industry, which poses a very high entry barrier (Awolusi & Onigbinde, 2013). Furthermore, the network of transactions done via card payment and Automated Teller Machine network are provided by separate financial services bodies like MasterCard, Visa and American Express. These distinctive corporations have partnerships with bank issuers of these payment cards to operate via their payment-processing network and these network operators have substantial powers as suppliers because they are the linking service to processing of payments worldwide for the banks' clients and all these services are cost-intensive**.**

Cost: Apart from the cost involved in training the staff responsible for operating e-banking channels, there is a need for banks to spend reasonable time as well as money on the services provided by e-banking to attract customers. Similarly, staff in e-banking unit is expected to have strong technical background and banks usually have challenges getting such talented people, training them and retaining them. This is aside from the cost involved in getting the infrastructure, establishing the system, maintaining and updating the software (Angelakopoulos & Mihiotis, 2011).

Intense Competition: Since the emergence of internet banking where various types of transactions can be done across the web, competition has become very intense among banks. This is because; every customer can access the website of all the banks just by the click of a button and in the luxury of their homes. Hence, there is a basis for comparison of the same products and services to make the best choice.

Management of Risk: Customers must provide some personal information before they can have access to e-banking services. Hence, banks are faced with a high risk of keeping customers' information private while also managing the security risk because of the activities of the hackers. In the same vein, banks are also confronted with the task of managing reputational risk associated with unauthorized access to its customers' account with its attendant legal issues. Despite these challenges, this study primarily intends to unravel the contribution of e-banking channels to Access Bank's profitability as a case study. In summary, the Nigerian banking industry has experienced a tremendous transformation with efficient and visible redefinition since the advent of electronic banking. Despite several benefits and merits of e-banking concerning the customers and the banks, the major challenges to e-banking include cost, intense competition and management of risk. This is due to the congestion in the marketplace with every player trying to out-do the other for market share while managing the risk of privacy, security and reputation inherent in e-banking and also keeping low the cost of infrastructure, software, training and operating the channels.

Consequently, the primary objective of the study was to assess the impact of e-banking on Access Bank's, profitability. However, the specific objectives are:

- To determine the influence of e-banking channels on the profitability of Access Bank.
- To determine the influence of e-banking on customer's retention and loyalty.
- To evaluate the quality of service, security, reliability and efficiency of Access Bank's electronic banking services to its customers.

To discover the specifics regarding my study topic, a thorough breakdown was done on the questions below:

- What is the contribution of electronic banking channels to Access Bank's profitability?
- Does e-banking have any influence on the retention and loyalty of bank's customers?
- Are there improvements in the quality of service, security, reliability and efficiency due to the usage of electronic banking services? These three questions shortened the scope of the research, but the study as a framework, and aid in managing the research project (Easterby-Smith et al., 2012). The relevance of this research was to highlight the actual contribution of electronic banking channels such as POS, internet, Mobile Applications, Electronic Cards and ATM etc. to profitability in Nigeria banking industry with Access Bank Plc as a case study using statistical models.

There seems to be no study focusing on the actual contribution of e-banking channels to the profitability of banks and as such, this novelty of the present study. The issues and opportunities were meticulously evaluated and its effect on operational efficiency was also investigated. About practical relevance, the study examined profit before tax (PBT) and profit after tax (PAT) for a period of 8 years specifically 2010 – 2017. It is pertinent to note that the profit part of the income statement encompasses "Net interest income after loan impairment charges" and "Net fee and commission income" before "Total expenses deductions". The income from e-banking channels (POS channels, ATM channels, Internet banking, Mobile Banking and Cards) which was included in the "Net fee and commission income" was extracted and evaluated to ascertain its contribution to the Net fee and commission income, profit after tax as well as the contribution of each of these channels separately to profitability. The result of this study will be of great relevance to stakeholders in the Nigerian banking industry because there would be a clearer understanding of the actual contribution of electronic banking channels to the profitability of banks in Nigeria. Furthermore, it would assist them in making choices that would have a positive impact on the quality of service from these channels and to also invent ways of overcoming the challenges encountered by customers while using these channels. Likewise, it will also be very helpful to future academics as it would serve as literature for further study on e-banking.

2. Review of Related Literature

Conceptual Review: The drive and craving of any Business venture are to make money whilst creating commensurate value for customers (Blazi & Awolusi, 2020). In the same way, the foremost objective of banks is to give excellent service more expediently to their customers and be rewarded with good profit and increased market share, hence, the wide acceptance and clamor for e-banking in the Nigeria Banking industry. According to Rad et al. (2017), electronic banking can be defined as a unique kind of banking that exploits electronic domain like the internet for the delivery of banking services such as funds transfer, cash withdrawal and deposit, balance inquiry, the printing of statement, verification of signature, etc to its customers. It is apparent that since the emergence of this technological advancement and innovation which has had a positive impact on business transactions by making them seamless and almost effortless, its effect has not only been felt in banking and other financial services but also the economy and its potential for sustainable growth is evident. As opined by Coombs (1987), developments in information handling as well as processing, telecommunications, and associated technologies- referred jointly as "information technology" (IT) – are often accompanied with enhancing extraordinary growth in several economies.

Theoretical Review: The rate of development of payment systems is largely dependent on a tussle between usual impediments to the acceptance of new products or service and speedy technological transformation (Olatunji & Awolusi, 2019; Lai, 2016). Consumers' acknowledgements of new technologies, as well as their intent to make use of these technologies, have been proposed to be explained by some theories. However, for this study that sought to determine the impact of electronic banking on profitability in Nigeria banking

industry [a case study of Access Bank Plc], the basis would be on the social construction of technology theory (SCOT), the Theory of Reasonable Action (TRA) and Technology Acceptance Model (TAM).

Social Construction of Technology Theory: This theory otherwise known as SCOT in the Science and Technology field holds that there should be a critical look at the social world for those that look for the comprehension of the bases of a technology recognition or rejection (Matira & Awolusi, 2020). Hence, technical supremacy or superiority is not the only basis for a technology acceptance but also the social factors. Under this theory, the foremost proponents contend that technology is not the determinant of the actions of humans, but rather, that the actions exhibited and displayed by humans are actually what put technology in shape. They also contend that without comprehending how technology is entrenched in its social perspective, the usage of technology can also not be understood. In general, SCOT is a theory about how a diversity of social factors and forces adjust technological advancement, technological transformation, and the connotations related to technology. As a methodology is validated the required steps in the event of analyzing what is responsible for the success or failure of technology. This theory is used in this study to explain in what manner e-banking is adopted.

The Theory of Reasonable Action (TRA): It postulates that the behavior of humans is expected by the intent of an individual to involve in a particular behavior. The intent, on the other hand, is subject to two factors, which are the attitude of the individual as a consequence of the behavior and the views of the individual's social environment, referred to as the subjective norm (Fishbein & Ajzen, 1975). TRA hypothesizes that when there is a positive assessment by a person or an individual to execute a behavior, the intent to perform that behavior becomes higher (Ajzen, 1991). There has been a successful application of TRA in internet banking services environment to forecast behavioral performance and intent. As an example, it has been used in Taiwan to evaluate the effect of the attitude of customers and subjective norm on internet banking adoption (Shih & Fang, 2004). The outcome showed that attitude has a substantial effect on adoption intent, whereas subjective norm did not. The intent of the user to make use of, agree or adopt one or more of the IT areas is what behavioral intent determines according to TRA. It is used to explain the adoption of electronic banking by banks in this study.

Technology Acceptance Model (TAM): The development was by Davis, Bagozzi, and Warshaw (1989) to show technologies as well as information systems recognition and acceptance by the users. The theory stated that users' decision is affected by several factors regarding when and how new technology can be used when presented (Davis, 1989). Its application has been to various innovative technologies like internet banking, mobile commerce and the implementation of mobile internet since it was developed (Hong et al., 2006). It has also found its application in various educational perspectives like online education (Ngai et al., 2007) as well as mobile learning (Liu et al., 2010). TAM is useful in the description of electronic banking adoption by banks, as well as to forecast, comprehend and to offer an explanation as to the reason to accept or reject information systems by people. This theory utilized in this study for the explanation of e-banking adoption and by what means it influenced Access Bank's profit.

Empirical Review: Mawutor (2014) in his research work on "Impact of E-Banking on the Profitability of Banks in Ghana" suggested that profitability of banks in Ghana has greatly improved since the dawn of electronic banking joined with the increase in several customers resulting from effective and efficient services. The researchers studied the effect of e-banking services in general through the internet and ATM and the impact that they have on the profitability of, particularly banks. The method of research was quantitative; also the form of study was descriptive as three profitability variables were evaluated from the financial statements which were Margin, Return on Asset (ROA) and Return on Equity (ROE). There was also self-administration of structured questionnaires to certain branches of Agricultural Development Bank that was used as a case study.

Some of the bank's customers were also interviewed to obtain information about e-banking. In the journal titled 'Electronic Banking and Bank Performance in Nigeria' Abaenewe et al. (2013) alluded that the use of electronic banking was progressing in Nigeria in comparison with the other African countries. The difference in performance pre and post the adoption of electronic banking for performance indicators such as ROE and ROA with an acceptable level of significance pegged at 5% using the standardized statistical method was

analyzed by the researchers and the outcome demonstrated that e-banking has had a positive impact on returns on equity (ROE) of Nigeria banks but yet to have a notable improvement on the returns on assets (ROA) as far as the tested hypothesis was concerned.

There were extractions of secondary data of appropriate years from the Nigerian Stock Exchange Fact Books and published annual reports of four prudently chosen Nigerian banks through judgmental sampling. In "The Impact of Electronic Banking on Customers' Satisfaction in Ethiopian Banking Industry (The Case of Customers of Dashen and Wogagen Banks in Gondar City)" a journal by Worku et al. (2016), it revealed that most people who use e-banking services were young people, salary earners, students and educated people. It was also discovered that most businessmen and women do not use e-banking services actively, thus, highlighting that there was a connection between electronic banking and demographic characteristics also, that there was an enhancement of customer satisfaction due to e-banking. They also observed a lessening in the footfall to the banking hall by customers who desire banking services and also a drop in waiting time. The indices for customer satisfaction improved greatly following e-banking sign-on. Customer satisfaction can be said to be the overall number of customers who reported that their experience with a firm's products or services exceeded set satisfaction targets or objective (Mukonga & Awolusi, 2019; Farris et al., 2010). Additionally, in a research project titled, "The Effect of Electronic Banking on Profitability of Commercial Banks in Kenya" Njogu (2014) emphasized that e-banking has aided banks to considerably lessen their cost of banking by utilizing technology to provide flexible products to its customers.

A quantitative methodology was used to obtain data from the Central Bank of Kenya and some Commercial banks. Regression analysis was done which covered a period of 5 years starting 2009 to 2013. The study clinched that there was a strong positive connection between financial performance and electronic banking and the bank size also had a positive impact on the financial performance of commercial banks in Kenya. Electronic banking using the internet as a tool has advanced beyond the limitations set by traditional brick and mortar system of banking to describe market, product and customer majorly in the global financial industry. Now, most researchers are interested in the tremendous positive effect of e-banking on the overall performance of banks. Three (3) years after the introduction of internet banking, those that implemented it experienced more profitability than those who didn't use ROE, ROA, etc as variables (Hernando & Nieto, 2006). Owing to the trending debate on its effect on performance, some researchers resolved that operational costs for banks are reduced (Cheng et al., 2006); it was also established by Jayawardhena and Foley (2000) that with the introduction of new products and services, existing clients are retained while new ones are enticed. The value of banks can also be boosted because the benefits of e-banking can be emphasized through advertisements and promotional activities (Devi et al., 2012). From the evaluation of certain literature, most of the studies have focused on measuring the effect of internet banking on customer commitment and satisfaction (Singh & Kour, 2011; Ma, 2012).

Some sought to find if electronic banking improves bank performance (Yang et al., 2018), others focused on the relationship between demographic characteristics and electronic banking (Worku et al., 2016). Similarly, some studies focused on factors that affect the adoption of e-banking (Ashtiani & Iranmanesh, 2012) while some focused-on service quality (Lee & Lin, 2005), impact of trust and its experiences (Wang et al., 2009) as well its assistance in reducing the cost of banking operations (Njogu, 2014). Whereas the evaluation of most literature eluded that the profitability of banks has greatly improved since the emergence of electronic banking. This research is unlike the others in that it searched for the answer to the question of contribution in definite terms of electronic banking channels to profitability in Nigerian banking industry using Access Bank Plc as a case study through statistical models. As far as I know, no study addressed the influence of e-banking channels on the profitability of banks this way as a topic on its own. Consequently, in addition to answering the research questions stated above, the hypotheses below were tested by the study:
H_1: There is no contribution of e-banking channels to Access Bank's profitability.
H_2: E-banking does not have any influence on the retention and loyalty of the bank's customers.
H_3: There are no improvements in the quality of service, security, reliability and efficiency due to the usage of e-banking services.

3. Methodology

Research Design: There are four (4) basic parts of a Research paradigm; they are ontology, epistemology, methodology, and methods (Awolusi & Onigbinde, 2013; Awolusi & Akinruwa, 2014). Crotty (1998:3), opined that ontology has to do with 'the nature of existence' and it is regarded as the exit path of all research (Grix, 2004). Epistemology, on the other hand, has to do with 'the nature of knowledge'. It deals with the form of relationship which is in existence between the knower and the known. It can also be regarded as 'A general set of assumption about ways of inquiring into the nature of the world' (Easterby-Smith et al., 2012). As stated by Grix (2004:58), ontology and epistemology can be regarded as the bases upon which research is made. This is simply because the methods and methodology selected for research are informed by the assumptions of the researcher's ontology and epistemology. Therefore, there is a vital and fundamental relationship between the two. However, three research paradigms approach exist, and they include Positivist, Interpretive, and Critical. The approach to my research paradigm was a positivist approach because they believe in the likelihood of cause-effect relationship establishment.

As a result, there is the possibility of analyzing social world using scientific methods because they always seek to estimate, predict as well as institute scientific laws. Hence, they believe a neutral researcher's role is simply to give an objective clarification of important matters and forecast laws. Thus, my research paradigm is made-up of a 'Positivist Epistemology' and a 'Realist, foundationalism Ontology'. Epistemologically, a positivist researcher's view is dualist and objectivist. Accordingly, being objectivist as a researcher is a vital feature of any expert analysis. This is because both the knower and the item to be known are mutually exclusive and none of them exercises influence over the other. Positivists' researchers are captivated by facts and there are preventive measures to mitigate any danger to validity. Positivist methodology tries to explain "what" of relationships and through experiments, hypotheses are tested, and questions are substantiated (Awolusi, 2012; Onikoyi, Babafemi & Awolusi, 2013). Simple random sampling data collection technique is what Positivist researchers use for numerical or quantitative data collection which would be statistically analyzed upon placing in a tabular form. The present study, therefore, seeks to unravel "what" using quantitative research methodology. Four (4) main types of data are collected using quantitative research.

The first data is about individual performance, the other measures the attitude of the individual, the next is the observation of the behavior of individuals and the last is factual. Irrespective of the method of research a researcher wishes to adopt, whether quantitative or qualitative; explanatory or exploratory, the hypothesis is at the middle of every research Endeavour. It is the interim response to the question the research tries to find out which provides a direction to the whole research. Similar to previous studies, inferential statistics were used in testing the hypotheses and as stated earlier in Fig. 1 above, the profit data for the period 2010 – 2017 of the case study organization was used for the analysis. Also, Net interest margin (NIM) being a profit variable was used in testing the hypothesis. Upon gathering the profit figures in terms of contribution of various e-banking channels as stated in Table 1 below, the calculation was done to determine the mean, variance and standard deviation for the period 2010 to 2017. Mean incidentally is the most commonly used in measuring central tendency to find the point of balance in a series of data while standard deviation is used to show the distribution of all the data values (Berenson, 2006).

Dependent and Independent Variables: The profitability ratio (Net Interest Margin) of the bank regarding this study will be the Dependent variable, while the Independent variables concerning this study were POS, ATM, CARDS, Internet Banking, Mobile Banking and Corporate Payments. Profitability which is usually measured by Price-Earnings Ratio needs to be influenced by the Independent Variables to be qualified as the Dependent variable. For the testing of the influence of e-banking on Access bank's profitability, a logistic regression model stated below was used:

$Yk_t = D + \alpha Xk_t + \beta Zk_t + \varepsilon k_t$ ---------- equation i

Where k denotes Access bank; t denotes the year; Ykt is the dependent variable and denotes the profit (Net Interest Margin) of k (Access bank).

In a specific year t; D is the point of interception; X signifies the independent variables which include; Cards, Mobile, Internet Banking, POS, ATM and Corporate Payments while Z denotes the other profitability

determinants of Access bank; α and β are coefficients and εkt represents the error term. In this study, multiple linear regression model was used to evaluate the influence of electronic banking on profitability of Access bank and it is stated as follows:

Pkt = D + β1POS kt + β2ATM kt + β3CARDS kt + β4 IB kt + β5 MB kt + β6CP kt + εkt ----------equation ii

Where;

Pkt = Profitability (Net Interest Margin)

POS = Point of sale which was determined by the ratio of fees and commission generated from point of sale terminals over the bank's total fees and commission for the year.

ATM = Automatic Teller Machine which was determined by the ratio of fees and commission generated from ATM over the bank's total fees and commission for the year.

CARDS= Income from both debit as well as credit cards which was determined by the ratio of fees and commission generated from the cards over the bank's total fees and commission for the year.

IB = Internet banking which was determined by the ratio of fees and commission generated from internet banking over the bank's total fees and commission for the year**.**

MB = Mobile banking which was determined by the ratio of fees and commission generated from mobile banking over the bank's total fees and commission for the year.

CP = Corporate payments which were determined by the ratio of fees and commission generated from Corporate payments over the bank's total fees and commission for the year.

ε = Error term

The profit variable (dependent) stated above was tested upon getting the required data using P-Value. Where the P-Value = 'The level of significance within a statistical hypothesis test that represents the chance, probability or the likelihood that a given event would occur'. Generally, it is utilized as an alternative that afforded the least level of significance for the null hypothesis **(H_0)** to be rejected, implying the lesser the p-value, the more the evidence is in favour of the alternative hypothesis **(H_1)**. Conventionally, the choice of level of significance 5% is generally taken as 5% to reject the null hypothesis **(H_0),** even though it is arbitrary. Nevertheless, the level of significance of 5% at 95% confidence interval was also used for the null hypothesis to be rejected as well as to determine the significance of the regression model about this study.

Research Instrument, Data Collection and Analysis Plan: Data collected from the company's record and complemented with secondary data from the audited annual reports in excel and questionnaires were the research instruments that were used for this research. The objectives of my study areas enumerated above. However, the factors that influenced my questionnaire design were: my target respondents; who were youths and working-class individuals that were technology savvy, as well as, the method through which I reached them (which was self-administration). The response anticipated from the respondents was categorized as; Strongly Agree, Agree, Not sure, disagree and strongly disagree for each of the questions in the questionnaire. Space was also provided for respondents to tick their age range, gender, marital status, current educational status and occupation which were also included as part of the analysis. Appropriate data which were obtained from the company's records, internet and financial statements of the Bank.

For the period 2010 -2017 and questionnaires were used to explore respondent's knowledge, perceptions and assessments. To support the hypothesis and conclude, the quantitative approach to data analysis was employed as it seeks to interpret and advance knowledge through numerical data processing. Regression analysis was used with the help of SPSS in the study. Furthermore, regression analysis was further employed to discover the significance of the relationship between the variables as stated above. The settings of my study were selected branches of the case study bank, Access Bank. The banking halls of the bank branches where day to day transactions take place as well as the marketing staff floors were the settings of the research. The target population was the staff of the case study bank, youths and working-class customers of the bank(s) who were technology savvy with an age range of between 20 to 55. The vulnerable population was not involved in the research.

Sampling Method and Procedures: Simple random sampling technique was the data collection method used. Here, questionnaires were self-administered to 25 members of staff and customers of each of six (6) selected branches of Access Bank because they were the key initiators, managers and users of these services. Secondary data was also collected from the internet, the bank's financial statements and symposia papers on

topics related to the study. Questionnaires and interviews posed some sensitive questions for the respondents and they felt uncomfortable supplying answers especially to a stranger. However, formal permission was granted by my case study organization. Hence, proper identification and clear details about me and the purpose of the research which was purely for academic Endeavour were given at the selected branches that I visited. The questions in the questionnaires were also biased, misleading or opinionated. Most importantly, privacy, right to withdrawal, anonymity.

Validity and Reliability Analysis: The strength and consistency for which research methodology is adjudged are made upon research validity as well as reliability (Morris & Burkett, 2011). A thorough evaluation of validity and reliability for all secondary data involves an assessment of the data collection methods (Saunders et al., 2009). Confidentiality and right to free consent were spelt out to all the respondents. No gift or remuneration was given for participation; however, respondents' acceptance and contributions were duly acknowledged in the dissertation. Also, all collected data were digitally encrypted and locked in a cabinet and will be stored for no less than five years. It provides a good ground for data interpretation from instruments such as questionnaires, observer ratings and education tests used in research, administration and education (Cook & Beckman, 2006). In a quantitative research Endeavour, there is a possibility of measurement being reliable but not valid; nevertheless, when a measurement is not reliable, then such can ever be valid (Thatcher, 2010; Twycross & Shields, 2004). Similarly, according to Singh (2014), validity and reliability decrease the chances of inserting the bias of a researcher in the qualitative study but also increase its transparency.

This can be referred to as the degree to which an instrument assesses what it affirms to assess or measure (Blumberg et al., 2005). In other words, the validity of a research instrument evaluates the degree to which that instrument assesses what it is intended to assess (Robson, 2011). It is an essential prerequisite for all types of researches (Oliver, 2010). In quantitative research, it is the degree to which an instrument assesses what it affirms to assess (Thatcher, 2010) whereas in qualitative research it is when the researcher utilizes certain techniques to ascertain if the results of the study are accurate (Creswell, 2014). Validity entails the reliability of an instrument; however, there is a possibility of an instrument being reliable and yet not valid (Kimberlin & Winterstein, 2008). Hence, the types of questions asked on the instrument are in harmony with the expected knowledge as well as in content validity. Furthermore, a pilot-test was carried out by the researcher with the use of questionnaires and the validity of the study was proven resulting from the pilot-test that necessitated amendment of the study instrument to ascertain validity as well as reliability before the ultimate administration of the instrument.

The test showed a Cronbach Alpha Coefficient of 0.837 and 0.916 for all staff variables and all customer variables respectively, signifying reliability of the instrument. This is referred to as the degree to which a tool of evaluation yields results that are free from errors. In other words, the results of its measurement are stable and consistent with equivalent values (Blumberg et al., 2005). It evaluates precision, research repeatability, trustworthiness and consistency (Chakrabartty, 2013). It shows that the score recorded of an assessment truly replicates that assessment's score, implying fairness and without prejudice. Reliability refers to the repeatability, stability and consistency of outcomes in quantitative research which implies that if a researcher got a consistent outcome in same situations but in dissimilar circumstances, then the result of the researcher can be said to be reliable. Reliability coefficient ranges between 0 to 1, where 1 indicates faultless reliability, with 0 indicating no reliability. The general rule for reliability is that for any $r > 0.8$ is considered high and very good (Downing, 2004; Madan & Kensinger, 2017). Furthermore, for this research, having obtained the secondary data from the audited financial statements of the bank which were in the public domain and indeed a reputable organization, the validity and reliability of the analysis outcome were assured.

Data Analysis Method: Since the present study is mainly quantitative, via the collection of a huge amount of information through the questionnaires administered, making use of inferential statistics summarized that huge amount of information in a tabular and graphical form. Hence, the inferential analysis was targeted at hypothesis testing. Excel and Statistical Package for Social Science (SPSS) were utilized for the analysis of the collected data. While excel helped in data grouping which also facilitated comparisons that were made, SPSS in a similar manner was very helpful in putting the data together which subsequently lead to the findings as well as the conclusions reached regarding the objectives of the study. This was the best for this research since

it was mainly quantitative and involved interpretations of various numerical data collected to conclude upon testing the hypothesis. Multiple regression analysis options were used for the study because the analysis was done to determine the existence of any relationship between net interest margin (dependent variable) and the fees and commission income from various e-channels (independent variables).

4. Results and Discussion of Findings

Demographic Characteristics: Out of the 150 questionnaires distributed, 137 people responded, representing feedback of 91.3%. As quipped by Cooper and Schindler (2011), a feedback rate of above 50% is regarded as a good response for a survey. The summary of the result is as shown below:

Figure 1: Response Rate of the Questionnaire

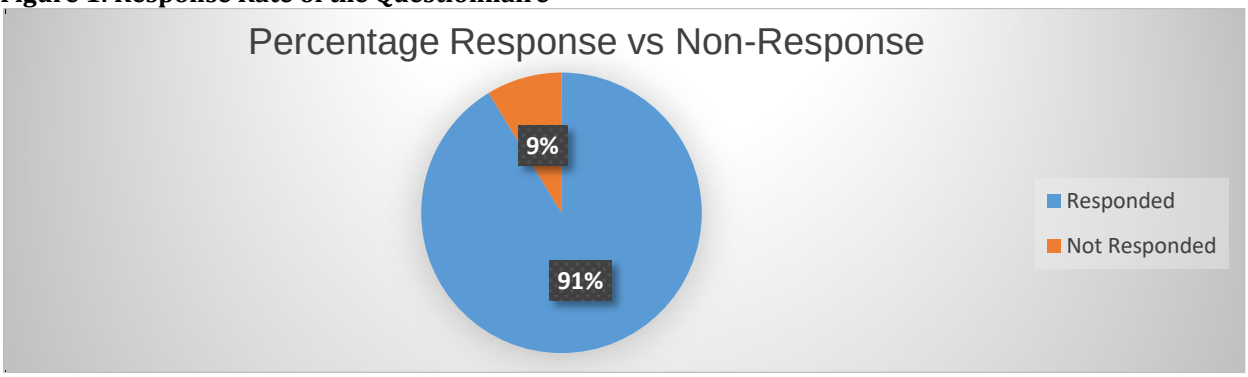

Table 1: Demographic Characteristics of Respondents Staff

Variables	Items	Frequency	Percentage
Gender	Male	34	49.3
	Female	35	50.7
	Total	**69**	**100.0**
Age	18 - 24	11	15.9
	25 - 35	38	55.1
	36 - 50	19	27.5
	51 - 60	1	1.4
	Total	**69**	**100.0**
Marital Status	Single	39	56.5
	Married	30	43.5
	Total	**69**	**100.0**
Educational Status	Secondary	4	5.8
	Diploma	6	8.7
	University Degree	46	66.7
	Master's Degree	12	17.4
	Others	1	1.4
	Total	**69**	**100.0**
Occupation	Employed	68	98.6
	Other	1	1.4
	Total	**69**	**100.0**

Source: Conducted Survey, 2018

Looking at the gender distribution, 49.3% were male, while 50.7% were female. This implied good participation by both genders though more female participated. Also, from the distribution of their age, 15.9% were within the age range of 18-24years old, 55.1% were within the age range of 25-35years, 27.5% were within the age range of 36-50years, while 1.4% were within the age of 51- 60years. Also, the marital status revealed that 56.5% were single, while 43.5% were married. Implying that most staff that participated was single. Furthermore, regarding their current educational status, 5.8% had secondary school certificate, 8.7% had Diploma certificate, 66.7% had a university degree, 17.4% had master degree, while 1.4% had other degrees. Lastly, the distribution according to their occupation revealed that 98.6% were employed, while 1.4% chose other.

Testing of Hypothesis

Testing of Hypothesis One: H_1: There is no contribution of e-banking channels to Access Bank's profitability.

Table 2: Regression Results for Hypothesis One

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.999[a]	.998	.991	.0076092	2.712

a. Predictors: (Constant), MOBILE BANKING, CARDS, INTERNET BANKING, POS, ATM
b. Dependent Variable: Net Interest Margin

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.046	5	.009	159.737	.006[b]
	Residual	.000	2	.000		
	Total	.046	7			

a. Dependent Variable: Net Interest Margin
b. Predictors: (Constant), MOBILE BANKING, CARDS, INTERNET BANKING, POS, ATM

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.565	.011		50.903	.000
	POS	-1.126	.198	-1.290	-5.700	.029
	ATM	-.207	.036	-1.729	-5.736	.029
	CARDS	.003	.001	.267	5.245	.034
	INTERNET BANKING	-.428	.240	-.311	-1.784	.216
	MOBILE BANKING	1.803	.258	2.362	6.976	.020

a. Dependent Variable: Net Interest Margin

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	.272606	.479105	.373856	.0812786	8
Residual	-.0085790	.0054835	0E-7	.0040673	8
Std. Predicted Value	-1.246	1.295	.000	1.000	8
Std. Residual	-1.127	.721	.000	.535	8

A. Dependent Variable: Net Interest Margin

Regression Analysis Results: From Table 2 above R^2 gave .998 implying that E-Banking channels contributed about 99.8% of Access Bank's profitability. Adjusted R^2 was .991, an indication that E-Banking channels contributed 99.1% of Access Bank's profitability. Furthermore, the F-test result = 159.737. The t-statistics test results for POS, ATM, Cards, Internet Banking and Mobile Banking = -5.700, -5.736, 5.245, -1.784 and 6.976 respectively were significant at $p = 0.000 < 0.05$. The null hypothesis was therefore rejected with the conclusion that E-Banking channels contributed to Access Bank's profitability.

Testing of Hypothesis Two: H_2: E-banking does not have any influence on the retention and loyalty of bank's customers.

Table 3: Regression Results for Hypothesis Two

Regression Results for H Hypothesis Two

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.696 [a]	.485	.477	.34015

a. Predictors: (Constant), EBS

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.070	1	7.070	61.107	.000 [b]
	Residual	7.5 20	65	.116		
	Total	14.590	66			

a. Dependent Variable: CRCL

b. Predictors: (Constant), EBS

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.379	.369		3.741	.000
	EBS	.532	.068	.69 6	7.817	.000

a. Dependent Variable: CRCL

Regression Analysis Result: From Table 3 above, R^2 gave .485 which meant that effective E-banking services (EBS) would contribute about 48.5% changes in customer retention and customer loyalty (CRCL). Adjusted R^2 = .477, implying that E-banking services (EBS) would contribute about 47.7% changes in customer retention and customer loyalty (CRCL). Also, the F-test result was 61.107, also the t-statistics test result was positive at 7.817 and also significant at $p = 0.000 < 0.05$. The null hypothesis was therefore rejected with the conclusion that E-banking services (EBS) influenced the retention and loyalty of bank's customers.

Testing of Hypothesis Three: H_3: The quality of service, security, reliability and efficiency does not influence the usage of e-banking services.

Table 4: Regression Results for Hypothesis Three

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Efficiency, Service, Security, Reliability[b]	.	Enter

a. Dependent Variable: EBS

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.738[a]	.545	.516	.43273

a. Predictors: (Constant), Efficiency, Service, Security, Reliability

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.130	4	3.533	18.865	.000[b]
	Residual	11.797	63	.187		
	Total	25.927	67			

a. Dependent Variable: EBS

b. Predictors: (Constant), Efficiency, Service, Security, Reliability

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.352	.531		2.544	.013
	Service	.057	.132	.044	.434	.666

Security	.242	.098	.275	2.457	.017
Reliability	.534	.153	.452	3.488	.001
Efficiency	.098	.148	.084	.665	.509

a. Dependent Variable: EBS

Regression Analysis Results: From Table 4 above, R^2 gave .545 which implied that the quality of service, security, reliability and efficiency would influence 54.5% usage of E-banking services (EBS). Adjusted R^2 gave .516, implying that the quality of service, security, reliability and efficiency will influence 51.6% usage of E-banking services (EBS). In addition, the F-test result = 18.865, and t-statistics test results for service, security, reliability and efficiency were all positive at 0.434, 2.457, 3.488 and 0.665 respectively and significant at p = 0.000 < 0.05. The null hypothesis was therefore rejected with the conclusion that the quality of service, security, reliability and efficiency influenced e-banking services usage.

Discussion of Findings: There was a strong agreement from the majority of the respondents' staff and customers that electronic banking method being used by Access Bank offers quick service and ease of transfer of funds electronically from one account to the other. Also, the electronic banking services of the bank were safe and secure and that the e-banking services were available 24hours a day. That using electronic banking services was time-saving and that it was cheaper to do transactions through electronic banking channels. These submissions were in tandem with the findings of Mawutor (2014), where the respondents agreed that benefits of e-banking were far more than its inherent problems and that it offered quicker means of rendering financial services than the traditional means. Also, the staffs were of the view that there were lots of benefits in using the bank's electronic channels.

Also, the electronic banking applications were user friendly and that Access bank e-banking service can be accessible in every part of Nigeria. These were also in agreement with Ovidiu et al. (2015) in their study on performance effect of e-banking on Romanian banking sector where they concluded that internet brought a complete shift in paradigm in the structure of financial systems and services in meeting customers' aspirations and needs with incredible benefits. The result from the secondary data extracted from the organization as well as the audited financial reports of the bank from 2010 to 2017 showed that E-banking contributed about 25% of the total profit after tax of Access Bank Nigeria Plc. It also revealed that cards had the highest contribution of about 77% of profitability of E-banking channels of Access Bank within the eight years, followed by ATM, Mobile. Corporate Payments, POS and internet banking which contributed 16%, 2%, 1.6%, 1.5% and 1.2% respectively. After running the test of the hypotheses using inferential statistics, it revealed that E-Banking channels contributed to Access Bank's profitability.

This finding supported the views of Mawutor, (2014) who investigated the profitability impact of e-Banking in Ghanaian Banks and came to the conclusion that there has been visible progress since the dawn of e-banking, with the resultant growth in customer's patronage as a result of services that are efficient and effectives. In the second hypothesis, it showed that the services of e-banking influenced the bank's customer retention as well as loyalty. This was also in line with Kadzo and Wafula (2015) who concluded that internet banking adoption leads to a reduction in transaction cost and attraction of more customers. Nevertheless, there was a negative as well as the substantial impact on ROA of banks from commission and fees from internet banking. Lastly, in the third hypothesis, the study concluded that the quality of service, security, reliability and efficiency influenced the e-banking services usage. This finding conformed with the views of Njogu (2014) where he examined the profitability impact of e-banking on Kenyan commercial banks and discovered that for Kenyan commercial banks that the bank's size determined their financial result or performance and also that the relationship that existed between financial performance and e-banking is strong and positive.

5. Conclusion, Recommendations and Policy Implications

This research examined the effect of electronic banking on profitability in the Nigerian banking sector, with particular reference to Access Bank Plc. The study specifically looked into the impact of e-channels on the profit of Access Bank; the challenges experienced by the Bank in its product offering of electronic banking, as well as the prospects of effectively applying those electronic channels to its customers to satisfy their banking

needs. Competition is indeed stiff in the Nigerian banking industry because every player is looking for ways to out-do the other to maximize profit and render good returns to its shareholders. Access Bank as one of the Systemically Important Banks in Nigeria Banking industry has had their fair share of e-banking challenges as stated earlier just like the other players in the industry. This is because the industry is a choked marketplace that consists of various financial firms amongst others.

All of which are playing actively in the industry and virtually competing for who will have the lion share of the market. The study also involved the review of some literature that was related to the research as well as some relevant theories to underscore the objectives of the study. These theories include; Social construction of technology theory (SCOT), the Theory of Reasonable Action (TRA) and Technology Acceptance Model (TAM). On the other hand, chapter three of this study drew attention to the research methods, research design, population and sampling techniques adopted as well as the method of data analysis, while chapter four gave an insight into the appropriate quantitative analysis used for the study. The quantitative study made use of inferential statistics and applied multiple linear regression analysis to conclude.

Conclusion: Based on the empirical findings of several kinds of literature reviewed, it was established that there had been a tremendous improvement in the profitability of banks since the dawn of electronic banking. There was also diverse evidence regarding the effect of electronic banking on the results of banks. Hence, the need for scholars, regulators and bankers themselves to comprehend exactly the way banks' performances is affected by e-banking. This is very imperative and expedient. This study sought to answer three questions which were; what the contribution of e-banking channels was to the profit of Access Bank; whether e-banking had any influence on the retention and loyalty of bank's customers; and if there were improvements in the quality of service, security, reliability and efficiency due to the usage of the services of electronic banking.

Recommendations: About the findings as well as the conclusions of this research and for the enhancement of the banks' capabilities, this study recommends that the Nigerian banking industry should invest more in Card products followed by ATM amongst other electronic channels; as they generate more revenues for the bank. Also, because only 25% of the profit from the study came from electronic banking, the study recommends further development of other channels (Mobile, Corporate Payments, POS and internet banking) to further enhance their contribution to the bank's profitability. A well-articulated strategy to diversify income is also recommended. Regarding ATM, Nigerian banks should consider the reduction of N65 charge after the third withdrawal from the ATM of another bank and also increase daily withdrawal limit to encourage more usage and income enhancement. Furthermore, banks should ensure that their ATM outlets are strategically located and properly maintained such that it will be easily accessible to the retail customers. Customers are the reason why banks are in business, so this study further recommends that Nigerian banks should create a business strategy that is customer-centric by being continuously innovative in identifying the needs of their customers and improving on their products offering. The study concluded that Cards is one of the electronic banking channels play a significant role amongst other channels and immediately followed by ATM. Also based on the research questions and hypothesis one, it was concluded that E-Banking channels contributed to Access Bank's profitability. Also, the second hypothesis concluded that E-banking services (EBS) influenced the retention and loyalty of bank's customers.

Finally, concerning hypothesis three, it was concluded that the quality of service, security reliability and efficiency influenced usage of e-banking services while developing new ones, to retain and keep the loyalty of their existing customers while attracting new ones. The aim of the banks should be to make electronic transactions less risky, tightly secured and convenient for customers. Nigeria is a multi-cultural society with vast ethnic diversity and still very low financial inclusion. Also, despite the campaign for a cashless society, cash related transactions still account for the majority of transactions that take place in the country. Hence, this study recommends that Nigerian banks in conjunction with the Central Bank of Nigeria should embark on a serious campaign to educate and promote the embrace and usage of e-banking for day to day transactions particularly in the grassroots. The education, awareness, jingles and the entire campaign should be done in the native language of the people to reach many that are unbanked and under-banked in our society. With the development and expansion of e-banking in the Nigerian society, banks will be faced with service, reliability, security and efficiency issues. So, this study recommends that banks should fortify their security systems of the network to detect easily. It is also recommended that adequate training and motivation should be given to

the staffs that are charged with these responsibilities. Daily inspection, as well as the daily report of incidents, is also recommended to forestall colossal error. Since one of the oversight functions of the regulators is to engender trust, protect the right of consumers as well as to boost the confidence of the public in the banking sector, this study further recommends that the Central Bank of Nigeria should come up with policies that will fortify its supervision on the risks of e-banking to achieve their financial inclusion vision.

However, there are a few limitations to this study. Both secondary, as well as primary data were used for this research and indeed, it was a bit difficult to get a timely response from the staff of the bank used as a case study. This was because most of them were apprehensive on the grounds of not divulging any information about the bank that could be traced to them and probably jeopardizing their career. In the same vein, it was very difficult to get the exact amount contributed by each of the e-channels (POS, ATM, Cards, Internet, Corporate Payments and Mobile) to the total fees and commission. Which could only be seen as a lump sum in the financial statements particularly when it involved more than two years as it was considered highly confidential? Most of the studies from various literature reviewed, focused on factors that affect the adoption of e-banking (Ashtiani & Iranmanesh, 2012), others focused on the relationship between demographic characteristics and electronic banking (Worku et al., 2016) while some tried to ascertain customers commitment and satisfaction through the use of internet banking (Singh & Kour, 2011; Ma, 2012). This research identified a gap by assessing the impact of electronic banking on profitability in the Nigerian banking industry with the particular objective of seeking to find the contribution of each of the channels to profitability to isolate the channels that contribute more to bank's profit. The research concluded that cards being one of the channels play a significant role amongst other channels and immediately followed by ATM in terms of contribution to profitability while internet banking contributed the least to the profitability. This research is therefore recommending further study to be carried out on the same topic, but with at least other three Systemically Important Banks (SIB) in Nigeria to establish a generalization of this research outcome.

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Determinants of Audit Quality in Indonesia Supreme Audit Institution: A Conceptual Study

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Abstract: This research is based on the problem of poor audit practices by the Big Four audit firms and the mid-tier audit firms in UK in 2018/2019 cycle, which is indicated as audit failure. This resulted in sanctions and fines that increased significantly from the previous year. Problems related to audit quality are also experienced by government internal auditors in Indonesia. This is due to several factors such as the quality of government internal auditor resources that are still below the lowest service standards as a public institution, lack of available apparatus and low competency, and limited budget. The purposes of this study are to determine the extent of audit quality produced by government internal auditors at the Principal Inspectorate of Indonesia's Supreme Audit Institution. Based on attribution theory, this study has several objectives, namely to determine the effect of competence, independence, and motivation on audit quality. Therefore, the contribution of this research can be the object of consideration and evaluation for Indonesia's Supreme Audit Institution auditors regarding the audit process and audit results in the public or government sector, an information for Principal Inspectorate of Indonesia's Supreme Audit Institution as an effort to maintain and improve the quality of government internal audits, and an information for the public in overseeing the audit quality of the management and responsibility of state finances.

Keywords: *Audit Quality, Competence, Independence, Motivation.*

1. Introduction

Public sector or government audit is a form of accountability for the government to the public regarding the management of state finances and as a guarantee for the implementation of good governance. The audited financial statements can be an information for the public in overseeing the audit quality of the, management and responsibility of state finances. During the 2018/2019 cycle, the Financial Reporting Council (FRC) inspection team in UK found many poor audit practices by the Big Four audit firms and the mid-tier audit firms indicated as audit failures, this resulted in sanctions and fines of £ 42,9 million, increased from the 2017/2018 cycle of £ 15.5 million (Accountancy Daily, 2019). In Indonesia, there are a number of cases involved Indonesia's Supreme Audit Institution auditors. First, the case of bribery to the Indonesia's Supreme Audit Institution auditors for Examination with Specific Purposes to change the amounts of financial findings of PT Jasa Marga in 2016, which was initially around Rp 13 billion to Rp 842.9 million. Second, Indonesia's Supreme Audit Institution auditors and Village Ministry officials including the Inspector General who are involved in bribery cases to provide an unqualified opinion on the 2016 financial statements (Tirto.id, 2019). Performance Report of Financial and Development Supervisory Agency (FDSA) 2017/2018 revealed that the quality of the government's internal auditor resources is still below the lowest service standard as a public institution with the following details: 33.6% are still at level 1, 43.1% are at level 2, and only 23.3% are at level 3.

The Indonesia's Corruption Eradication Commission stated there were three factors that made the government internal auditors ineffective, including: (1) Government Internal Oversight Apparatus's (GIOA) position in the organizational structure of the regional government is too low (the Regional GIOA is under the Regional Secretary); (2) lack of available apparatus and low competency; and (3) limited budget (KPK, 2017). The perception of audit quality is important because it can help regulators and the accounting profession in formulating policies based on empirical evidence (Al-Khaddash, Al Nawas & Ramadan, 2013). DeFond and Zhang (2014) believes that the higher audit quality will increase assurance of higher quality financial reporting. Audit quality can limit managerial opportunistic attitudes and can detect the possibility of audit failure by the auditor (de las Heras, Canibano & Moreira, 2012). There are several studies that show factors that can influence audit quality in the private or public sector. Patrick, Vitalis and Mdoom (2017) and Ismail, Merejok, Dangi and Saad (2019) found empirical evidence that independence has a positive effect on audit quality. Meanwhile, research by Kertarajasa, Marwa and Wahyudi (2019) stated that auditor independence has no effect on audit quality. Audit quality is also influenced by competency factors. Research

results by Zahmatkesh and Rezazadeh (2017), Ismail et al. (2019) and Kertarajasa et al. (2019) concluded that competence has a positive effect on audit quality. Meanwhile, different results were shown in the study Hikmayah and Aswar (2019) proved that, competence has no effect on audit quality.

Then, motivation becomes a factor that must be considered as a determinant of audit quality. In research Idawati (2015) and Asmara (2016) found a positive relationship between motivation and audit quality. However, research conducted by Furiady and Kurnia (2015) and Zahmatkesh and Rezazadeh (2017) found no relationship between motivation and audit quality. This paper focuses on a conceptual model which will form the basis of un-coming studies in exploring audit quality with a focus on government internal auditor at the Principal Inspectorate of Indonesia's Supreme Audit Institution. Public sector or government audit is a form of accountability for the government to the public regarding. The purpose of this study is to determine the relationship of competence, independence, and motivation on audit quality.

2. Literature Review and Hypothesis Development

Theory: Attribution theory provides an explanation of how to determine the cause or motive for a person's behavior. This theory is directed to develop explanations of ways of valuing people differently, depending on what meaning will be attributed to a behavior. This theory also reveals that a person's behavior is determined by a combination of internal forces, namely factors from within a person, such as personality, self-perception, ability, or motivation, and external forces, namely factors that come from outside, such as pressure, environmental, or social.

Hypothesis Development: The development of hypothesis in this study is based on factors that are expected having an influence on the audit quality; therefore it can be formulated as follows:

Competence: Ability and expertise are considered related to audit quality (Mansouri, Pirayesh & Salehi, 2009; Chen, Hsu, Huang & Yang, 2013). The auditor's expertise can gradually develop through training and practical experience from the audit process. Auditors must have special knowledge to enable them to better detect misstatements of financial statements (Hakim & Omri, 2010). Research by Halim et al. (2014), Zahmatkesh and Rezazadeh (2017), Kertarajasa et al. (2019), Ismail et al. (2019) and Aswar et al. (2020) found that competence has a significant effect on audit quality. Every auditor must comply with certain requirements to become a professional auditor. Based on the explanation above, the hypothesis is formulated as follows:
H1: Competence has a significant effect on audit quality.

Independence: The possibility of the auditor not reporting material misstatement depends on the auditor's independence. If auditors cannot maintain their independence, this will certainly have an impact on reducing audit quality (Deis & Giroux, 1992). Mansouri et al. (2009) argued that if the auditor is less competent, the auditor tends to depend on client management; this can disrupt the independence of the client. Research results by Zahmatkesh and Rezazadeh (2017), Patrick et al. (2017), and Ismail et al. (2019) proved that independence has a significant effect on audit quality. Therefore, the higher independence of auditors will improve the audit quality produced. Based on the explanation above, the hypothesis is formulated as follows:
H2: Independence has a significant effect on audit quality.

Motivation: Audit quality will be high if the wants and needs of auditors can be realized. Therefore, great motivation is needed so that the task can be completed properly (Zahmatkesh & Rezazadeh, 2017). Mathis and Jackson (2004) revealed that the main factor influencing individual performance was the level of effort expended or motivation. Research results by Idawati (2015) and Asmara (2016) concluded that motivation has a significant effect on audit quality. Based on the explanation above, the hypothesis is formulated as follows:
H3: Motivation has a significant effect on audit quality.

3. Proposed Method

This study recommends an appropriate method to test the proposed conceptual framework for empirical studies, where data can be collected from respondents. The target population in this study is all apparatus of Principal Inspectorate of Indonesia's Supreme Audit Institution. Determination of this population is based on the reason that many problems occur related to the audit quality of the government internal auditors. In addition, the audit quality of Indonesia's Supreme Audit Institution began to be questioned as corruption cases arose involving Indonesia's Supreme Audit Institution auditors and local government officials whose financial statements received unqualified opinion from Indonesia's Supreme Audit Institution. There are 67 officials and staff in the Principal Inspectorate of Indonesia's Supreme Audit Institution, which are divided into two parts, namely the Inspectorate of Obtaining Quality Inspection (IOQI) and the Inspectorate of Internal Inspection and Institutional Quality (IIIQ).

Table 1: List of Structural Position of Principal Inspectorate of Indonesia's Supreme Audit Institution

Structural Position	Inspectorate PKMP	Inspectorate PIMK
Inspector	1	1
Head of Department	3	2
Head of Sub-Department	7	5
Staff	26	22
Total Number of Auditors	**37**	**30**

4. Conclusion

The conceptual paper of this study aims to examine the factors that influence audit quality on government internal audits, especially in the Principal Inspectorate of Indonesia's Supreme Audit Institution. This is important because the government internal auditors must be able to ensure public accountability carried out by the Central / Regional Government and State-Owned Enterprises (BUMN) / Regional-Owned Enterprises (BUMD). Public sector or government audit is a form of accountability for the government to the public regarding the management of state finances and as a guarantee for the implementation of good governance. Factors that influence audit quality are measured by 42 statements. The results of this study are expected to contribute significantly for Indonesia's Supreme Audit Institution auditors as an object of consideration and evaluation regarding the audit process and audit results in the public or government sector, being an information for Principal Inspectorate of Indonesia's Supreme Audit Institution in an effort to maintain and improve the quality of government internal audits, and a consideration for the government in the formulation of policies and regulations relating to audits, and also being an information for the public in overseeing the audit quality of the management and responsibility of state finances. Overall, the outcomes of the papers in this study must also provide valuable insights for Supreme Audit Institution auditors, and supporting the call for ongoing research in this exciting and unexplored field.

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Factors Affecting the Performance of Public Sector Practitioners in the Republic of Congo

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Abstract: In most of the structures of the public sector in the Republic of Congo, the quality of services provided to the general public has never been of good quality as perceived by the population. Consequently, the purpose of this study is to understand the root cause of inefficiency in the public sector of the Republic of Congo. A descriptive survey was designed for this purpose. Gill et al. (2008) argument on the most preferred use of interviews questionnaires in qualitative research was utilized to gather data from the sampled respondents. The data obtained from the individual's interviews were analysed using SPSS software. The traditional approaches of employee's performance management were analysed and plotted. The results of the study revealed that many employees were not adequately trained to perform their duties; in the meantime, most of these employees have not received any training in the last 10-15 years. Furthermore, it was also revealed that the top management doesn't undertake performance management appraisal and also the latter doesn't promote career development. Therefore, the employees suggested capacity building training. Revision of the salary scale and improvement of working conditions as the things that needs to be changed to improve their performance. Finally, the researcher concluded that among others actions that can be taken there is need to initiate a restructuration of the public sector in the Republic of Congo e.g. by re-introducing an entrance to the public sector examination, introduce performance appraisal management system and establish a career development systems for all categories of employment, to promote the culture of excellence in its structures and improve employee's performance. The novelty of the present study is the fact that the effectiveness of most of the services rendered to the general public in the Republic of Congo has never been investigated using scientific approaches. This study has therefore established the relation between the decisions taken by the top management and their impacts on employee's performance. In the meantime, the study has provided also the evidence on the correlation between the organization's culture and the decisions taken by the top management.

Keywords: *Top management, Practitioner's performance qualitative research, public sector, Republic of Congo.*

1. Introduction

The public sector has been largely inefficient in terms of services delivery in many developing countries (Blazi & Awolusi, 2020; Mukonga & Awolusi, 2019). The inefficiency in some fields of the public sector has, therefore, been the main reason for which previous researches were conducted on the topic (Arinder, 2016; Van, 1996). However, as practitioners of public services most of the time human values conflicts while serving the public interest. There should not be a disproportion of efficiency, dynamism and expertise while values compete. In the same view, Drafke (2008) highlighted that, as every individual has a set of values every organization has a set of values. Indeed, the practitioners in the public sector have values that might not necessarily align with those of the organization. Furthermore, Arinder (2016) stressed that emotions, beliefs and evidence are often balanced by policymakers in making decisions. In consideration of this theory.

We can assume that this is also applicable to the decisions made in the public sector. In this case, this implies that logically the practitioners of the public sector will not have so many challenges while serving the public interest. This is on the premise that the decision-makers in one way or another have already factored the practitioner's values in the decisions to be taken. However, according to Ojasalo and Tähtinen (2016), the complexity of the public sector decision-making processes make it more challenging for the practitioners of the public sector to collaborate with external actors. Although the complexity of the decision making processes as explained by Ojasalo and Tähtinen (2016) tend to have a significant impact on the performance of the practitioners of the public sector while serving the public interest. This does not necessarily justify the inefficiency in services delivery. In the Republic of Congo, like in many African countries, the structure and the text that govern.

The management of the public sector have been inherited from the colonial period. Most of these texts might have not been updated since the Country got its independence in 1960. This might not necessarily align with the current context in the Republic of Congo knowing that the society has evolved. The public sector is the first and the biggest employee in the Country, yet much is not known whether these factors must be leading to inefficiency in service delivery since these text dated from the colonial period might no longer fit with the current context of the society. Also, much is not known in the way the employee's performance is managed in this sector that might be having an impact on the services delivery. In the Republic of Congo, when visiting the offices of the public sector such as the hospitals, schools, immigration offices, police posts, structures in charge of providing water, electricity in the cities and rural setup, public administration in charge of providing a birth certificate, nationality certificate, marriage certificate, etc. By moving across the different department of these structures, it is rare to have an environment which is not noisy that give the impression that people are not concentrated.

Also, there is likelihood to notice that in the delivery of their daily activities, there is a lack of creativity and lack of high standard in services delivery. In practice, the public sector should be more creative and keep a high-level standard in services delivery since it serves the general public. However, in the Republic of Congo, the data on the health system, education system, and public administration is not digitalized. Therefore, to get access to country-wide data that can be used as evidence-based to support the problem sated above for this research project was difficult and or even impossible. However, as reported by the Ministry of Communication and Media Spokesperson of the cabinet, during the last session of the cabinet for the year 2018 held on 27th December. The ministers discussed and voted a draft law on the improvement of the services delivery in the public sector. The draft law was to be submitted to the parliament for the Members of the Parliament to review it before its approbation. The draft law was related to the improvement of the quality of the services delivery in the public sector. Therefore, the above scenario and related gaps identified in the literature motivated the present study.

Consequently, the present study aims to examine the factors that affect the performance of the employees in the public sector of the Republic of Congo. However, the specific objectives were as follows:

- Understand how the promotions to higher grades are managed in the public sector in the Republic of Congo.
- Understand whether employees are involved in the decisions making in the public sector in the Republic of Congo.
- Understand whether a system of employee's performance management appraisal is in place in the public sector of the Republic of Congo.
- Understand the retention mechanism for the employees in the public sector of the Republic of Congo.

Therefore, in connection with its specific objectives, the researcher tried to respond to the following questions:

- Does the management undertaking performance management appraisal for the practitioners of the public sector in the Republic of Congo?
- Do the practitioners of the public sector feel the difference made by their work on the general public?
- Do the practitioners of the public sector being rewarded in their work?
- Does the management promote career development for practitioners of the public sector in the Republic of Congo?
- How does the management ensure that the skills of the practitioners of the public sector in the Republic of Congo remain up to date to allow them to perform their daily work?

Researching the selected topic did not only help to understand the factors that affect the performance of the practitioners of the public sector. But, also by conducting this research, instead of trying to establish that dynamism and efficiency which will never be the cardinal values in the public sector, we rather provided to the practitioners of the public services a list of legalistic and ethical prohibitions. In the meantime, a call for excellence. This research also allowed us to engage with employees and decision-makers in their daily experience, having the possibility to observe and dig deeper in the understanding of the factors that affect the employee's performance in the field of the biggest employer which is the public sector. Therefore, the

researcher developed a practical relevance of employee's performance management practices. This is particularly relevant in public sector organisations where the complexity of problems and the indeterminacy of solutions always require a case sensitive interventions.

In doing so, the researcher explored how public sector accounting practices and techniques can help in solving these problems, without compromising the quality of research (Jönsson & Lukka, 2005). This also informed others researches to be conducted on the subject. But in dealing with nowadays complexity of the public sector and the social challenges governments have to cope with, researchers need to be more descend from their "ivory tower" to engage with practitioners of the public sector and decision-makers to stop being a neutral observer of the changes but an actor of change themselves. The researcher was not a neutral observer of the reality, but an active actor contributing to the discovery of employee's performance management practices. Moreover, another reason making this research specifically significant is the fact that it will help other researchers in understanding whether managerial decisions made in the public sector are unethical decisions or not and if these managerial decisions are taken with transparency. In that regards it will avoid frustration within the teams and hence positive impact on the employee's performance.

Otherwise, in their research conducted on decision making which tends to have a direct impact on employee's performance, Bonavia & Brox-Ponce (2018) highlighted that in most of the cases in decision making the role of transparency is less than expected. In the other hand, as in the case of the study conducted by Hwabamungu, et al. (2018) in the case of the public hospitals in South Africa. This research will find its significance in understanding also whether managerial decisions in the public sector must be emphasized on individuals to improve their performance and fulfil the general interest. Given that the structure of most of the fields in the public sector is composed of Head of Service, Head of the office, Head of the section, and employees. Our research's environment was defined within these four components which constitute the circle of the top management that deals with employee's performance management in the public sector. The research was conducted in eight services of Makelekele Town Hall where all categories of employees were targeted irrespective of their age and gender. The employees reached represented the sample of our respondents. However, as stated by the University of Roehampton Online (2015d) "it is important to get people to agree to take part and before we build the whole research project on the results of the survey.

2. Review of Related Literature

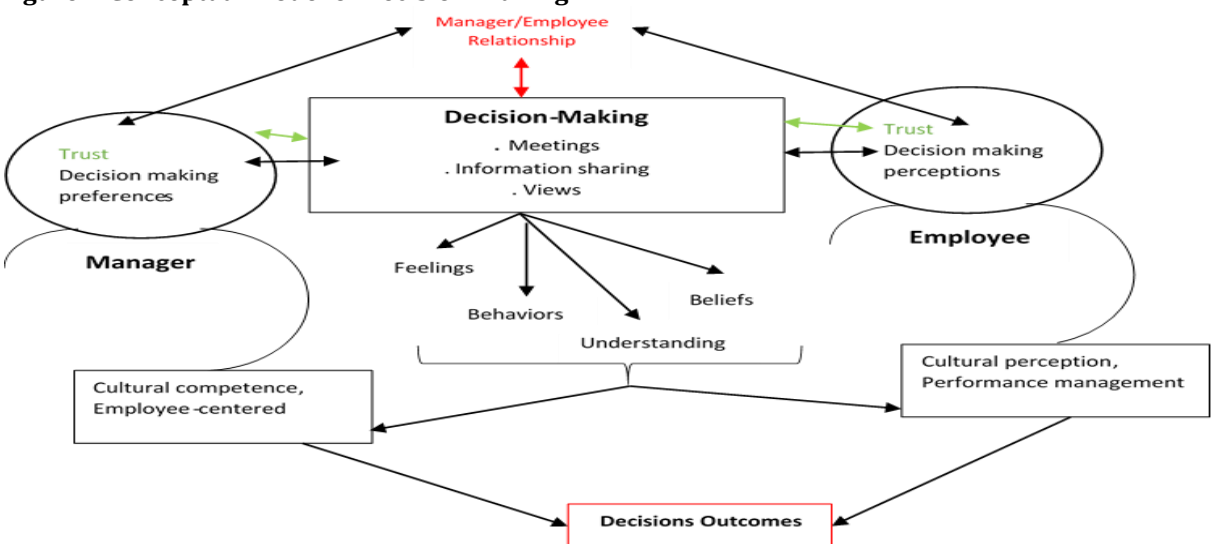
Conceptual Review: Gildas (2018) highlighted that, the researchers conducted by Trip, et al. (2002) revealed that managerial ability is critical in explaining employee's efficiency. In their study was categorized as follows; goal formulation, planning, monitoring and evaluation. The quality of the decision making steps was reviewed by a panel composed of twenty-six flower producer. This revealed that there are significant correlation and the quality of the decision making on firm efficiency in regards to the firm evaluation and monitoring. The approach used effectively contributed to measuring the input. Phillips, et al. (2014) conducted research which focused on the external factors that can produce a negative impact on the decision-making process. This approach entailed measuring the visual cognitive, emotion and usability. The results revealed that these factors affect the employee's post-verdict regarding confidence and performance. Equally another research by Bercu (2013) highlighted that this is a crucial action that has an impact on the public. There is a need to respond to the needs of the people. However, Bercu (2013) further emphasized that several studies on the topic have confirmed that there is a distinction in decision making (which can also affect employee's performance) in the public service in contrast to the private services.

In that regards, the author responded to the following questions: What are the differences in decision making between the public and private sector? Which are the mechanisms used by managers from the public sector to respond to efficiency, rationality and social responsibility? How can managers from public sector adopt the best decisions? The results of the research revealed that, in responding to the above questions, efficiency and effectiveness are not considered as cardinal values in the public sector compared to the private sector. In the other hand, McGuinness (2014), conducted his research on the economic impact of the health system policy in the United States of America that for him influence the public sector decision-making process. The results of his study show that the success or failure of a country's national economy is linked to the goals of the public health goals. This implies that decisions are taken in the public sector which impact employee's

performance has a significant impact on countries' national economy. In this regards, our research provided then an opportunity for managers in the public sector to understand how important the decisions are taken in their respective area of responsibilities can have an impact at the national level.

Peek et al. (2016), in their research conducted on African-American LGBTI Patients focused on the shared decision-making that can help patients overcome clinical encounters. The results of their research reveal that race, sexual orientation, and gender works in enhancing patient's perception and behaviour in shared decision-making. In the same view, we can assume that managers can also improve the performance of their employees in understanding the influence of their beliefs, feelings and behaviour (e.g. gender, sexual orientation, ethnicity, religion, political views etc.) on the employee's performance. However, there is a need to conduct more researches on the shared decision-making aspect in public services. This will provide a better understanding of the factors listed above in enhancing employee's performance. The below conceptual model was developed based on prior researches conducted on the decision-making process as presented in this literature review. The model was drawn on the intrinsic values of both managers and employees, with the intersectionality brought by the decision-making which most of the time is provided as information sharing during meetings being official or ad hoc. Finally, other factors such as beliefs, feelings, behaviours and understanding concurrently compete and define the employee's performance in the final decision's outcomes that impact the services delivery towards the general public.

Figure1: Conceptual Model of Decision-Making



Theoretical Review: Gildas (2018) further stressed that, in a study by Van (1996), there are five sources of decision making: public interest, legal interest, personal interest, organizational interest and professional interest. However, the inefficiency in some fields of the public sector is the reason for conducting the research. Also, the scope of the study looks at the perspective where the employee's values compete while serving the public interest. In that case, normally there should not be a disproportion of efficiency, dynamism and expertise while values compete. On the other hand, one of the common notions in the public sector is that practitioners from that field have several values and roles sets, which constitute the main source for their decisions making. For instance, a practitioner might need to deal with organizational, legal and personal issues at once. However, it is challenging for the employee to identify which of the values is vital for the interest of the public (Gildas, 2018).

Gill et al. (2014) in their research conducted on the decision-making, they focus on the impact of decision-making on the group. They state that managers are stakeholders in decision-making and their important role should be to ensure that they create an environment where common purpose lead and employees thrive. They must be in a position where they have to facilitate the work of the organization, neither taking possession nor control it. Although, there are many institutional theories on decision-making; in their research, Ariff & Karen (2018) classify these theories in decision-making in four approaches as they inform

the commercial and culture literature other than the professional decision-making which is a whole concept by its own. The following are these four theories of decision-making in the business as explained by Ariff & Karen (2018):

- Rational decision-making, in this process individuals, set the probability of expected outcomes that will be selected between different action taken;
- Political decision-making, tend to explain the balance of power among people which has an impact on decision-makers' results and assessments;
- The garbage can model of decision-making, this theory is related to managers' lack of control and feeling of uncertainty on internal external factors that are key in decision-making;
- Improvisational decision-making developed based on the shortcomings of the first three theories, this theory defines decision-making as an instant process whereby decision architects control, identify options make use of their institution and their spontaneous action to evaluate.

According to Kozlenkova et al. (2014), the resource-based theory is one of the most appropriate theories used in information structure researches and another field of the business. The theory is used to explain the resources of an organization and the performance of the firm. In this theory, resources enable the organization to design and implement approaches that enhance efficiency and effectiveness. Furthermore, there are many categories of resources that exist in organizations. However, the resources that had been considered here are those suggested by (Grant, 2005) standard. The latter classify resources into three groups, tangible, intangible and human.

Tangible Resources: These include financial resources that support organizations in their capacity of flexibility, investment and physical resources for the organization's potential in production.

Human Resources: These are productive services that employees offer in terms of skills, knowledge, and decision-making ability.

Intangible Resources: These are technology-related and reputation.

Furthermore, RBT (resources-based theory) is presented by several researchers as theoretical and practical guidelines that help to assess organizational performance and resource. Moreover, some researchers suggest that RBT (resource-based theory) can also provide meaningful implications for the study of public agency performance (Lee & Whitford, 2013). About the theories elaborated above, it was important to understand in our study how did each of these theories relate to the process of the decision-making in the public sector and their impact on employee's performance. First and foremost, in terms of stakeholder's theory, we focused on understanding whether in the public sector; in the process of the decision-making managers find it prominent to create an environment where the common purpose leads.

Also, whether they facilitate the work of the organization instead to possess or control it. Understanding the approach in this theory in contrast to the practice in the public sector was paramount in our research since it provided more information in the role of the managers as one of the stakeholders in the process of decision making in the public sector and the impact of their managerial decisions on the employee's performance. On the other hand, it was also important to understand among the four theories on the decision-making in the business as stated by Ariff & Karen (2018) which one is predominant in the public sector and how did its impact the performance of the practitioners of the public services. As our study aimed to understand the factors that affect the performance of the practitioners of the public sector, the use of RBT as a theoretical framework for our study was highly appropriate in identifying organizational resources that can improve or enhance the performance in the public sector.

Empirical Review: Gildas (2018) stated that researchers tend to categorize the roles of the practitioner of public services in many ways. "Some researchers are known for concentrating in one area, even with wide views such as Rohr's (1989) concentration on regime values (law and legal tradition) and Frederickson's (1990) emphasis to social equity (public interest). Although many researchers have intentionally divided the roles to cover all the major decision-making bases. Pugh (1991) and Hejka-Ekins (1988) divided genuine sources into the bureaucratic and democratic ethos. Posner & Schmidt (1994) compared the rugged-

individualism ethic to the community and co-operation ethic. Three roles were defined by Dobel (1990) who identified regime accountability, personal responsibility.

Prudence as the keys to the ethical decision-making mix." The division of the roles in public services enabled the researchers to organise them in several ways. Therefore, the epistemological perspective of the study of these values may be the foundation of the present study. Moreover, as stated by (Gildas, 2018) the method that was used for the research was the survey through the interview questionnaires tool. The target group for the research were the practitioners from eight services of Makelekele Town Hall where fairness, equity and justice must prevail. The sample size was calculated using the statistical concepts of the confidence interval and confidence level to get the most representative sample size. Before the definition of the sample size meetings and individual consultation was conducted.

To discuss the scope and the aim of the research at this level, the respondents and the dataset were agreed to ensure that both the researcher and the respondents were safe in regards to the confidentiality of the information that was collected. Since the survey was conducted on the practitioners, there was a probability of having challenges in terms of the involvement. Another aspect that was considered is the result of the survey was supposed to be available to the respondents and the information collected to be deleted at the end of the research. Among the strengths of the selected research methodology can be listed are; reliability, flexibility and availability. The survey was easy to administer to the respondents, however, one of its limitations was lack of accountability for the information provided by the respondents since the questionnaires were anonymized and could have been filled by people that were not considered as part of the study. Finally, the data collection tool that was used was interview questionnaires and the technique was the survey. This served as a primary data collection source. To perform data analysis, SPSS software was used.

Relationship Between Dependant and Independent Variables: The study carried out in this research has helped to identify several independents variables such as cultural perception, technology awareness, cultural competencies and managerial competencies that have a significant impact in the process of decision making which is the dependant variable that has a direct impact on employee's performance. These independents variables influence the decisions made by the top management and also their translation into action by the subordinates. The various literature reviewed shows that the methodologies and approaches used in previous studies did not explore much of the research topic. Gildas (2018) and Ariff and Karen (2018) highlights several weaknesses in the previous researches conducted on the selected research topic and for which few have been reviewed.

- Many of the researchers' did not establish a framework that takes into account the complexity of the five sources of decision making.
- Also, many studies failed to establish the basis for exclusion or inclusion criteria of these competing values.
- Out of the twelve researchers that constituted our literature review, none of them provided empirical survey research on tangibles factors that affect the employee's performance.
- Many researchers' did not establish the influence of the organizational culture on the decision-making process for which the researcher highly thought that there was an inter-linkage. Furthermore, for the research that was conducted to address these gaps, we found it useful to study the selected topic as a systemic issue in a holistic manner using a sound and balanced theoretical framework and empirical data.

3. Methodology

Research Design: The objective of this study was to understand the inefficiency in the public sector of the Republic of Congo. To achieve this objective, the design chosen was descriptive research which is a qualitative methodology of research that attempts to collect quantifiable information to be used for statistical analysis of a population sample. In that case, surveys can be used for recording; describing, interpreting and analysing facts that exist or either existed. Among others, these facts, can be assimilated but not limited to the trends that are developing, ongoing processes, effects that are evident or opinion that is expressed. However, surveys are primarily well- adapted with the existing. According to Gill et al. (2008:291), 'There are a variety of methods of data collection in qualitative research, including observations, textual or visual analysis (e.g.

from books or videos) and interviews (individual or group). Also, focus groups which are one of the methods used in healthcare research.' The methods used to collect the quantifiable information for this research was individual interviews conducted.

Based on the questionnaires predefined for the purpose (Awolusi, 2012; Awolusi & Akinruwa, 2013). We selected interviews among other data collection methods used for the descriptive research because, interviews helps to explore the experiences, beliefs, views or motivations of the respondents on specific matters. Furthermore, Gill et al. (2008:291) stressed that most of the researchers prefer to use interviews rather than sample quantitative methods like questionnaires. Interviews are mostly believed to provide a "deeper" understanding of the social phenomenon. Therefore, interviews were appropriate for this research because we wanted to get more detailed insights from the practitioners. In the other hand, we foresee that the research might have revealed sensitive topics that the respondents might not want to discuss in the group setup. Hence the choice made on the interviews methods which were appropriate and can explore sensitive topics.

The primary sources of data for this study were the public administration in the Republic of Congo, particularly the employees of Makelekele Town Hall. The Barcelona-based online software for online form building and online surveys (Typeform) was used by the researcher to digitalize data collected from the sampled respondents that thereafter were analysed. According to Vox TV (2017), the Minister of Public services and the reform of the State revealed on 22nd March 2017 during the session of the Cabinet held in Brazzaville that some 66,422 individuals were censuses as practitioners of the public services in the Republic of Congo. The statistics were obtained after the completion of the census exercise of the practitioners of the public services launched on 31st October 2016. At the end of the exercise, the state counted 39,300 practitioners that represent 59.14% of the manpower of the public services employed in the capital Brazzaville, against 8,457 (12,73%) employed in Pointe-Noire. In the upcountry, the number is relatively less given the fact that everyone wants to be employed in the two mains towns of the Country. Thus, 1,511 practitioners were censuses in Kouilou, 2,321 in Cuvette. In Cuvette-West, there were 1,088 practitioners and 1,129 in Sangha or 741 in Likouala. A little more of them 3,520 practitioners were counted in Niari, and 1,005 in Lekoumou. The departments of the Plateaux, Bouenza and Pool respectively count 1,702, 2,656, and 2,581 practitioners. The diplomatic representation of the Republic of Congo abroad counts in a total of 411 practitioners.

However, the number revealed by the Minister is not exhaustive since a huge number of these practitioners of the public services claimed that they were not censuses. Furthermore, because of the very limited time, distribution of the practitioners around the country, and shortage of money the researcher was limited to the capital Brazzaville that represent 59.14% of the total number of the practitioners reached by the census conducted by the state in 2016. In the capital city Brazzaville, the researcher limited his study to the eight services of Makelekele Town Hall of Arrondissement 1 were a total of 330 practitioners were engaged at the time of this research. To determine the sample for the survey, a scientific approach was used that indicate the appropriate size of the random sample for a given number of the wider population (Cohen et al., 2005:94). In fact, since the universe that constitutes a sample is not always a homogeneous group. In the aim of obtaining a representative sample, we applied a stratified sampling technique. Furthermore, to determine the sample size that represents the number of the respondents that were interviewed out the wider population, Yemane (1967) uses the following three variables. **N** as the sample size, **n** the estimated population and **e** the confidence level (0.05). This implies that: **N=n/1+n (e*e)**. Considering the total number of the practitioners of Makelekele Town Hall which was 330 at the time of the research. By using Yemane (1967) scientific formula, the researcher considered a total of 180 practitioners as the sample size for this research. Indeed, to come up with the above figure, the calculation was as follow: N= 330 / (1+330*(0.05*0.05)).

Data Collection and Analysis: During the process of data collection, three options were available to measure the factors that affect the employee's performance. They were a holistic approach, the metaphorical (language) approach, and the quantitative approach (Cameron & Quinn, 2006). A quantitative approach requires the use of questionnaires or interviews to assess or understand facts. In this research, we used questionnaires to reach as much as a possible number of respondents. This was a descriptive survey. We believe that it gave enough time to the respondent to provide well-articulated answers and also reduce the

cost to the researcher. There are different types of reliability and validity. Moreover, as highlighted by (Cohen et al., 2005) there are several ways in which they can be addressed. In simple term, validity refers to a degree to which an instrument subjectively measures what it is intended to measure. In other words, validity is when an instrument appears to do what it claims to supposed to do. In the case of this research, for example, validity focused to achieve the purpose of this study.

Moreover, (Burton & Mazerolle, 2011) stated that four procedures exist in establishing the validity of an instrument. However, given that they present few difficulties to ascertain, face and content are qualitative measures of validity often used in survey research. In the other hand, (Burton & Mazerolle, 2011:28) further stressed that to secure face and content validity, there is need to submit the instrument for review by a panel of experts comprised of individuals that have an expertise in the field that the instrument will measure. The panel of experts will look into the survey's relevance, appearance and representativeness of its elements. For this research, the face and content were secured after submitting the instrument to five colleagues from the researcher's workplace that are well-versed in human resources and employee's performance management field. Some minor changes to 10 out of the 25 questions content and face were suggested. After three rounds of exchange with the colleagues, the instrument was approved for face and content validity.

According to (Cohen et al., 2005), reliability is essentially a synonym for consistency and replicability over time, over instruments and groups of respondents. For this research to be reliable there was needed to ensure that the measurements that were used for the validity were consistent with other researches conducted on the impact of the managerial decisions on employee's performance. According to (Villasís et al., 2018), validity in research is a concept that refers to what is true or closes to the truth. They further stated that the result of the investigation is considered to be valid when the study is free of errors. These errors or biases are generally due to the research methodological problem. Moreover, Messick (1980) stressed that in all research, the phenomena being researched must be accurately described through the findings, but if this does not happen then the level of validity is questioned. The researcher focused the questionnaires on the most realistic way of investigating the phenomena being researched. The questionnaires were constituted of balanced closed-ended and open-ended questions. In this way, the researcher anticipated having a more holistic view of the respondents on the phenomena being investigated. The questionnaires were submitted to the validation of the researcher's assessor before conducting interviews with employees of different services of Makelekele Town Hall.

Methods of Data Analysis: The data obtained from the individual's interviews were analysed using SPSS (Statistical Package for Social Sciences) software. Although (Lewis, 2004) highlighted that NVIVO and ATLAS.ti are amongst the best available qualitative data analysis tools. Reason being that, the two products allow the researcher to associate codes or labels with texts. Moreover, they are designed to support the use of several types of data like sounds, pictures or video. These products are flexible and can be easily used in a wide range of applications. Also, the two products are compatible with Microsoft Windows operating system. However, the fact that motivated our choice to use SPSS instead of NVIVO or ATLAS.ti is that ATLAS.ti work with a very limited range of data files types e.g. text files have to be converted in ASCII or ANSI before uploading them in the software while NVIVO focus in analysing non-numerical or unstructured data. Or, SPSS is used for statistical analysis of data and provide analytical reporting which was more appropriate for this research.

4. Results and Discussion of Findings

Demographic Analysis: The researcher focused his study in the following services "affaires foncières, législation, agriculture & élevage, domaine public de l'état, état civil, instruction civique, jeunesse, and secretariat general" of Makelekele Town Hall. In order to gather the information that was analysed, two hundred and fifty (250) forms of the interview questionnaires were distributed in the different services listed above. Out of the total number of two hundred and fifty (250) interview questionnaires forms distributed, 180 (90%) that were properly filled and returned were compiled. Table 1 shows the characteristics of the respondents.

Table 1: Characteristics of the Respondents Disaggregated by Age Range

Age Range of the Respondents	Number Reached	Percentage (%)
20-25	0	0
26-30	10	6
31-35	10	6
36-40	40	22
41-45	20	11
46-50	30	17
51-55	20	11
56-60	50	28
Not provided	0	0
Total	**180**	**100**

The data presented in the above Table 1 shows that 28% of the respondents reached were between the ages 56-60. 22% of the respondents were between the ages of 36-40. 17% of the respondents were between the ages 46-50 and 11% of the respondents fall in the age range 41-45 years and 51-55 years while the youngest employees represent only 6%. It is worth noting that, the percentage of the respondents in the age higher than or equal to 36 years old increases as the age increases. This is an indication showing that there are fewer juniors among the employees of Makelekele Town Hall. Overall, all the respondents indicated their age hence 0% represents the number of the respondents that did not indicate their age.

Table 2: Characteristics of the Respondents Disaggregated by Sex

Sex of the Respondents	Number Reached	Percentage (%)
Female	80	44.4
Male	90	50.0
Not provided	10	5.6
Total	**180**	**100**

The data presented in the above Table 2 shows that 50% of the respondents were male and 44.4% were female. However, 5.6% did not indicate their sex. According to (Senn & Childress, 2000), being able to deal with the many issues of diversity is fundamental to organizational performance. In that case, most probably the result of the study could have been different if the number of female working at Makelekele Town Hall has been more than the current. Indeed, employees differ based on their gender, age, and ethnic background.

Table 3: Characteristics of the Respondents Disaggregated by Years of Experience

Years of experience	Number reached	Percentage (%)
1-2 years	20	11
3-4 years	10	6
5-6 years	50	28
7-8 years	30	17
9-10 years	10	6
More than 11 years	40	22
Not provided	20	11
Total	**180**	**100**

The data presented in the above Table 3 shows that 28% of the respondents have been working at the Town Hall since 5-6 years. 22% of the respondents are working for more than 11 years. 17% are working since seven (7) to eight (8) years. The percentage of employees with more years of experience is higher than the younger generation while 11% did not provide their seniority.

Analysis and Interpretation of Data Gathered: The Town Hall is a structure operating under the public sector which is a very dynamic environment in terms of services provided to the general public. Although we

assume that challenges might exist from the central government in terms of budget to improve working conditions and quality of services. For the Town Hall to ensure that the services provided to the general public are of good quality there is need to conduct a frequent assessment of the quality of services provided to the general public versus employee's training and performance. Moreover, Mpofu & Hlatywayo (2015) stated that to improve employee's performance and organizational growth, organizations have identified training and development of the employee as one of the critical aspects. Indeed, the Town Hall will not aim for growth because it is operating in the public sector but employee's performance will still have a significant impact on the services provided to the general public.

Considering the findings of the research, twenty-two percent (22.2%) of the respondents reached indicated that they are not adequately trained to perform their work. Taking into consideration the number of respondents reached, we assume that this represents the reality in most of the structures in the public sector within the Country whereby employees are not adequately trained to carry out their duties. In the other hand, twenty height percent (27.7%) of the respondents reached indicated that 10 to 15 years was the number of years that have elapsed since the time they were last trained and or they last attended a refresher training. These have to be considered among the factors which likely affect the performance of the practitioners in the public sector. The following present more details on the analysis of the findings for the below two questions.

Table 4: Do you feel you are adequately trained to perform your Job?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	110	61.1	73.3	73.3
Valid	No	40	22.2	26.6	
	Total	150	38.3	100.0	100.0
Missing	System	30	16.6		
Total		180	100.0		

61.1% of the respondents have been adequately trained and 110 feel they are adequately equipped however 22.2% of the respondents are not adequately trained.

Figure 2: Employee's View about the Capability

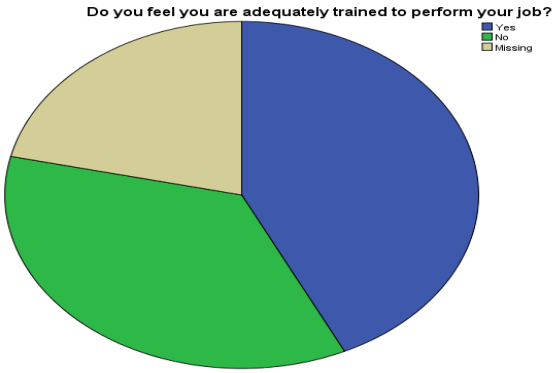
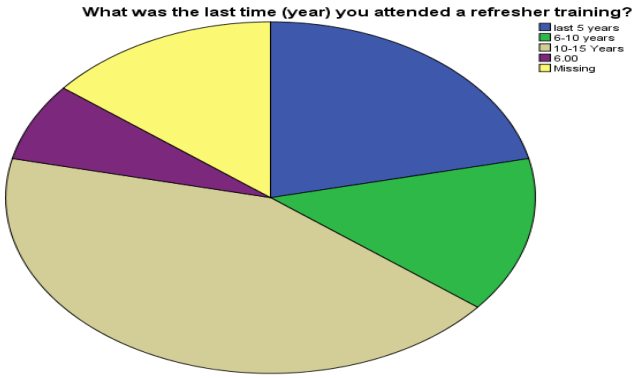


Table 5: What was the Last Time (Year) you attended Refresher Training?

		Frequency	Percent	Valid Percent	Cumulative Percent
	last 5 years	60	33.3	50.0	50.0
	6-10 years	10	5.5	8.3	58.3
Valid	10-15 Years	50	27.7	41.6	100.0
	6.00	0	0.0	0.0	100.0
	Total	120	66.6	100.0	
Missing	System	60	33.3		
Total		180	100.0		

27.7% of the respondents have not received any pieces of training for the last 10-15 years

Figure 3: Employee's View about Training Attendance



In the other hand, eleven percent (11.1%) of the respondents reached indicated that they were not sure whether the top managers have the required managerial skills to make the decisions that impact employee's performance. In the meantime, ninety-three percent (93.7%) of the respondents indicated that decisions taken by top managers can have an impact on their performance. In this case, for the Town Hall in particular and the public sector, in general, to provide quality services to the general public, there is need to have employees qualified in their field and this is possible only with the employee's capacity building plan in place. Moreover, (Frauk, 2018) further stressed that where there is ineffective management, to improve employee's performance, the support from qualified and competent employees in their field is required. On the same note, employee's coaching is key in being considered and prioritized as main assets in the company. Furthermore, for the employees' skills to be improved and or maintained, the capacity building plan must be a culture within the public sector.

In this case, there is a need to consider critically the loyalty and retention of those competent employees. Therefore, the State should look at this very important approach which consists in the development of human resources in the different department of the public sector. Hence we can assume that employee's performance is also affected by the leadership, education and training. The following present more details on the analysis of the findings for the below two questions.

Table 6: Do you think that the Decision Taken by the Top Management can have an Impact on your Performance?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly Agree	50	27.7	31.2	31.2
	Agree	100	55.5	62.5	93.7
Valid	Strongly Disagree	10	5.5	6.2	6.2
	Total	160	88.8	100.0	100.0
Missing	System	20	11.1		
Total		180	100.0		

Figure 4: Employee's View about Decision Making

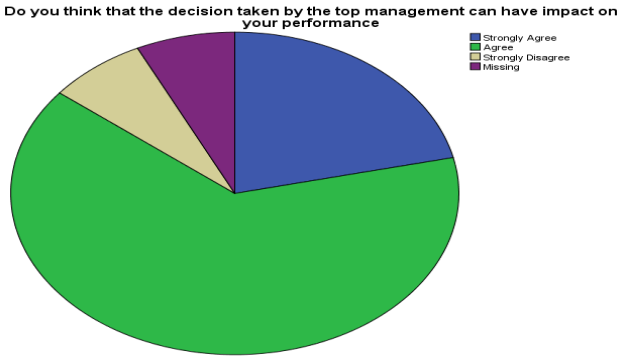
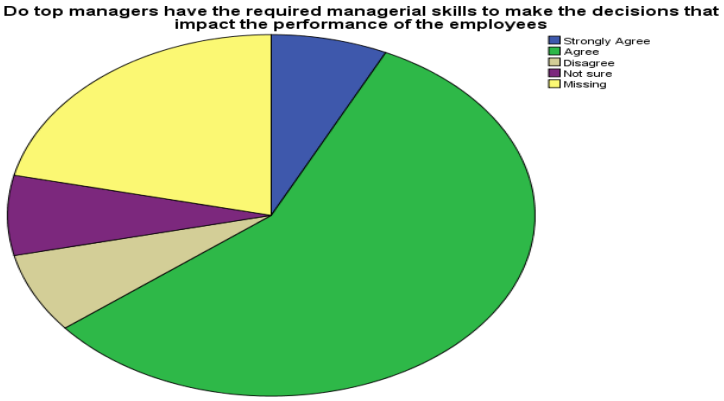


Table 7: Do Top Managers have the Required Managerial Skills to Make the Decisions that Impact the Performance of the Employees?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	30	16.6	30.0	30.0
	Agree	50	27.7	50.0	80.0
	Disagree	0	0.0	0.0	0.0
	Not sure	20	11.1	20.0	20.0
	Total	100	55.5	100.0	100.0
Missing	System	80	44.4		
Total		180	100.0		

Figure 5: Employee's View about the Top Manager's Managerial Skills



Further to the above, it is worth noting that, the respondents reached revealed other relevant findings for the researcher. Thirty-eight percent (38.8%) of the respondents indicated that their managers never promote career development. In the other hand, forty-four percent (44.4%) of the respondents further indicated that the top management was not undertaking performance management appraisal for the employees. We assume that all these factors put together are enough to impede the employee's performance which affects significantly creative behaviour. Moreover, Ismail and Rishani (2018) highlighted that creative behaviour is related to career development and performance appraisal satisfaction. Ismail and Rishani (2018) further stressed that organizations that fail to build effective career development systems at work will likely not be able to guarantee employee creativity despite the satisfaction that the performance appraisal can produce to the employee. In the case of the Town Hall in particular and the public sector in general, the top managers don't promote the culture that uses the two variables (career development and performance management appraisal) hence making it difficult for the employee to develop a creative behaviour leading to a negative impact on the employee's performance. The following present more details on the analysis of the findings for the below two questions.

Table 8: How often does your Employer Promote Career Development?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	80	44.4	53.3	53.3
	Never	70	38.8	46.6	100.0
	Total	150	83.3	100.0	
Missing	System	30	16.6		
Total		180	100.0		

38.8% believe that employer doesn't promote career development.

Figure 6: Employee's View about the Manager's Willingness to Promote Career Development

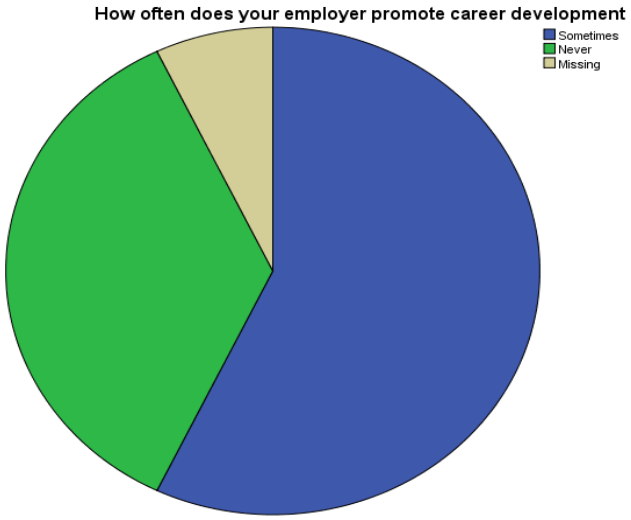


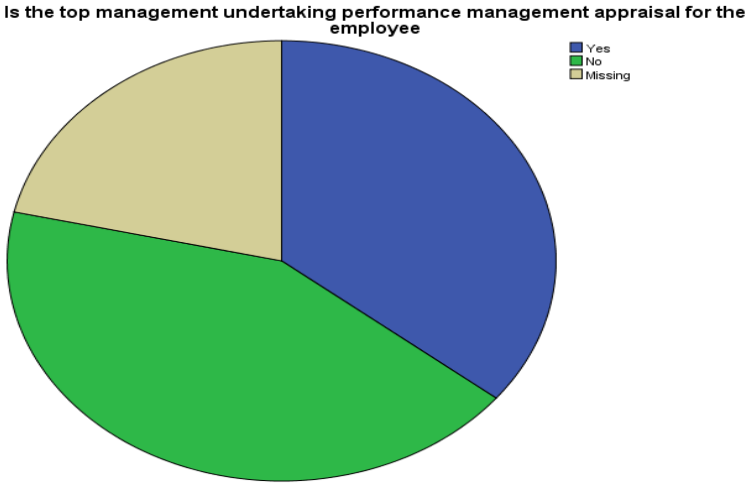
Table 9: Is the Top Management Undertaking Performance Appraisal for the Employee?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	70	38.8	46.6	46.6
Valid	No	80	44.4	53.3	100.0
	Total	150	83.3	100.0	
Missing	System	30	16.6		
Total		180	100.0		

44.4% of top management don't perform management appraisal.

Indeed, Conny et al. (2015) in their research conducted on employee's retention and motivation it was revealed that financial and non-financial reward can improve individual, team performance and organizations effectiveness. Furthermore, the researcher observed that twenty-eight percent (28%) of the respondents reached rated the services provided to the general public at two (2) on Likert scale (one (1) to five (5)) while in the meantime, 61.6% of the respondents were comfortable with the services provided to the general public.

Figure 7: Employee's View about Performance Management Appraisal



Finally, ninety percent (90%) of the respondents also indicated the fact that they are rarely rewarded in the accomplishment of their duty. This is another factor that can affect significantly the employee's performance

in the Town Hall in particular and in the public sector in general. This might imply that, either the employee's performance has a direct impact on the quality of services rendered to the general public or the employees doesn't have appropriate tools to carry out their work at the Town Hall in particular or in the public sector in general. In the other hand, during the data collection process, the researcher observed also the fact that the working environment at the Town Hall doesn't offer good working conditions. Indeed, this has a significant impact on the employee's performance. The employees were squeezed in the small offices that missed minimum basic equipment such as electronic equipment for air conditioner or information management technology equipment to carry out their work namely computers and printers. Moreover, Raziq & Maulabakhsh (2015) stressed that the bad working environment prevents the employees to develop their full capabilities and attain their potential. Also, to meet the organization's standards while developing their full capacity, employees need good working conditions which correlate with job satisfaction, hence increasing employee's productivity and performance. The following present more details on the analysis of the findings for the below two questions.

Table 10: If Yes, How often have you been rewarded?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Usually	20	11.1	20.0	20.0
	Sometimes	20	11.1	20.0	40.0
Valid	Rarely	50	27.8	50.0	90.0
	Never	10	5.6	10.0	100.0
	Total	100	55.5	100.0	
Missing	System	80	44.4		
Total		180	100.0		

Figure 8: Employee's View about Reward

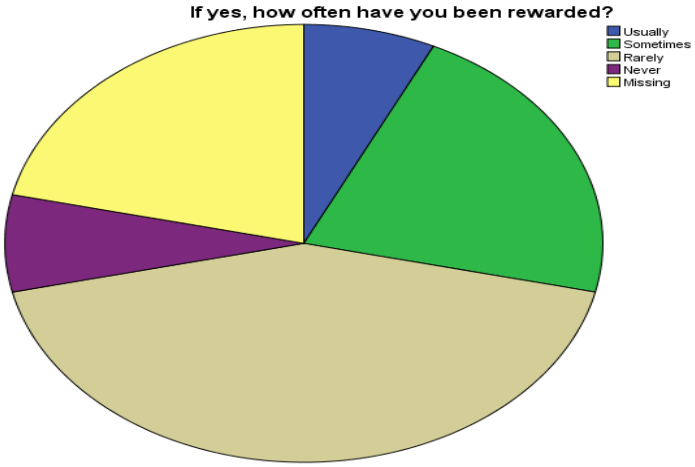
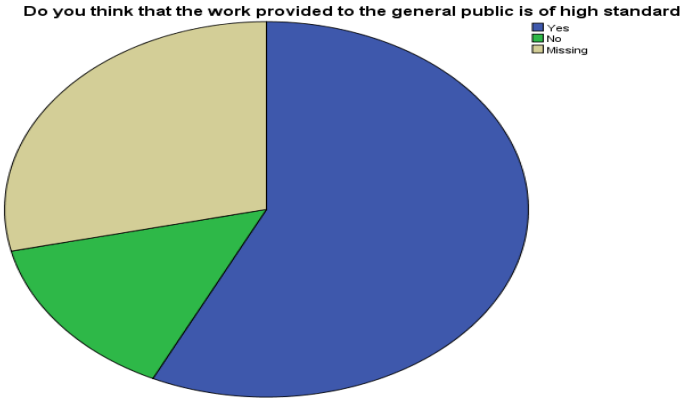


Table11: Do you think that the Services provided to the General Public are of a High Standard?

		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	110	61.1	84.6	84.6
Valid	No	20	11.1	15.4	100.0
	Total	130	72.2	100.0	
Missing	System	50	27.7		
Total		180	100.0		

61.6 % of the respondents are comfortable with the services of the public sector to the general public

Figure 9: Employee's View about Services provided to the General Public



Management of Employee's: The answers provided by the employees for the question related to "whether employee's opinions were taken into consideration while attending managerial meetings" shows that most of the respondents reached (over 70%) do participate in the managerial meetings and in those forums their opinions were taken into consideration. Indeed, this is a good employee's decision approaching employee's management which value and put the employees in the centre of the Town Hall management. Given that this approach can have a positive impact on the employee's performance, the researcher thinks that it will be good if this approach can be perpetuated. Another good practice, that the researcher observed is the use of a competitive recruitment process and promotion in the process of appointing employees on the higher grades. Although, questions on career development and performance appraisal were asked to the respondents. However, due to its sensitivity, the researcher was not able to capture which topics were usually discussed during these managerial meetings that they attended. Ideally, questions of general interest should be discussed in such meetings; conclusions and actions points must be drawn for further follow-up.

Employee's Perception: According to their perception, the respondents reached indicated the following: they are not adequately trained moreover the number of years that have elapsed since the last time (year) the majority of them were trained or attended a refresher training was 12-10 years yet they feel adequately trained to perform their duties. This is a complex situation that the management of the Town Hall should be aware of to find out how to address the issue; for those who were not rewarded in the accomplishment of their duties, the respondents indicated that it is their salary and or the desire to serve that motivate them to enjoy their jobs and current work situation. The employees indicated also that, the salary scale, the need of employee's capacity building training and the improvement of the working conditions are the three things if they were supposed to should be changed to improve employee's performance at work. In the other hand, employees think that the decisions taken by the top management can have an impact on their performance. However, in the meantime, they also indicated that the top management doesn't have the required managerial skills to make the decisions that impact the performance of the employees.

Discussion of Findings: The study has reinforced what is already known on the topic. First of all, as highlighted by Trip et al. (2002) the ability of the managers is critical in the employee's efficiency and among the factors that affect the employee's performance the respondents indicated that managerial decisions have an impact on their performance. The researcher assumes that this is logical taking into consideration phenomenon such as the Pygmalion effect. Secondly, as stated in the results of the study conducted by Bercu (2013) it was also observed during the study that there is a difference in the decision making in the public sector in contrast to the private sector. Indeed, in the private sector, the decisions made follows clear established and logical procedures. The respondents that were sampled highlighted the dependency that exists in the public sector in regards to the political decisions which are mostly based on the balance of influence. Furthermore, it was revealed that the issues related to efficiency and effectiveness discussed in the research conducted by Bercu (2013) were not the cardinal values in the public sector. Moreover, the respondents sampled indicated that the top management was not undertaking performance appraisal and neither promoting career development which is among the things that need to be considered for employee's efficiency and effectiveness.

As highlighted by Gill et al. (2014) in their study the impact of the decision taken by the top management on the group whereby the top management needs to create an environment that facilitates the work of the employees were also indicated by the respondents sampled. In the sense that, they indicated their involvement and their participation in the managerial meetings where their opinions are considered and valued. This explains how the top management at the level of the structure of the public sector strives to create an environment where the common purpose lead. In the other hand, in the course of this study, the researcher identified a fact that was not discussed before that need to be considered for further studies. The relation between the organizational culture and the decisions taken by the top management that have a significant impact on employee's performance. Indeed, depending on its organizational culture the way the decisions are taken differ from one organization to another mostly impact directly employee's performance knowing that the top managers are considered as a mentor and they are supposed to lead with a common purpose. This was observed in the public sector which is more of a power culture organization. Further studies on this fact will reveal more findings as to which extend the organizational culture impact the employee's performance.

5. Summary, Conclusion and Policy Recommendations

Summary: This study aimed to understand the root cause of the inefficiency in the public sector in the Republic of Congo. The researcher focused was to answer the following research questions: Does the management undertaking performance management appraisal for the practitioners of the public sector in the Republic of Congo? Do the practitioners of the public sector feel the difference made by their work on the general public? Do the practitioners of the public sector being rewarded in their work? What motivates the most the practitioners of the public sector for them to report every day at work? Does the management promote career development for practitioners of the public sector in the Republic of Congo? How does the management ensure that the skills of the practitioners of the public sector in the Republic of Congo remain up to date to allow them to perform their daily work? In summary, the findings of the study show that there are practices in the public sector that need to be reviewed to improve the performance of the employees.

Furthermore, the respondents reached indicated that they were not rewarded on their job (33%) while 11% did not provide answers to the question. The Likert scale was used to evaluate the quality of the services provided to the general public. In the course of the study, the findings were that 28% falls under 2 on the scale while 22% falls under 3 with 30% of the respondents that did not provide their answers. On the question related to the motivation to report every day at work, while the employees are not rewarded being in financial or non-financial aspect such as through promotion or career development, 17% of the respondents reached indicated that the desire to serve as the only motivation in this case. The question related to how the management ensures that the skills of the employees remain up to date to allow them to perform their daily work, recorded 28% of the respondents that the number of years that have elapsed since they were last trained is 10 to 15 years while 33% of the respondents did not provide answers on the question.

Conclusion: In the course of this study, the researcher tried to understand the root cause of the inefficiency in the public sector in the Republic of Congo while focusing on the case study of the factors that affect the performance of the employees in MakeleKele Town Wall. The respondents reached believes that the improvement of the working conditions, the revision of the salary scale and the need for capacity building training for the employees are things that need to be changed to improve employee's performance at work. In this case, there is a need for goal-oriented managers. Indeed, if the employees are valued most likely they will perform efficiently and effectively. Hence improving their performance at work. Finally, employees do attend the managerial meetings as indicated by the respondents reached.

Almost all the respondents reached further highlighted that their opinions or inputs were taken into consideration in the meetings they attended. But looking at the findings of the study, issues about capacity building, performance appraisal, and career development systems are the main issues that the top management will need to put on the top of the agenda while addressing the factors that affect the performance of its employees. In light of the study conducted, the researcher has observed several aspects which are not part of Makelekele Town Hall or the public sector culture which most likely affect the

performance of the employees at work. Indeed, to improve the employee's performance at work there is a lot that needs to be done in terms of capacity building, career development, improvement of working conditions, reward, employee's periodical performance appraisal, and the recruitment process.

Recommendations: It is worth noting that, most of the structures of the public sector in the Republic of Congo are not autonomous and their daily management depends directly on the Ministers that they are linked to. For example, the Town Hall is under the management of the Minister of Interior and decentralization. Hence to achieve the culture that takes into consideration the aspects mentioned above there is a need to review the entire management of the public sector in the Republic of Congo. The Ministers from the central government could make things to happen if they work in making the structure under their management to become more autonomous. This is possible by involving the employees in all the phases of strategic planning. First and foremost, the top management in the public sector should put in place a team of employees that will be in charge to set but also they will be monitoring and reporting periodically on the standards of all aspects related to the working conditions and the employee development. By doing so, the top management will promote the culture of excellence in the workplace while serving as a model.

Of course, while the top management has to serve as a model at the workplace they have to also instil the sense of belonging in their employees. Moreover, this will enables the employees to find meaning in their work. Indeed, the top managers have the responsibility to make their employees fill more than happy not only about doing their job but doing it while having a sense of belonging. This can include but not limited to incentives, or low-interest loan. The researcher assumes that this will build in the employees the character of carrying about the organizations that they belong and work for. In all the actions that will be taken in the aim to improve employee's performance, there is a need for team unity. However, for the momentum that will be created by the central government to have an impact on employee's performance, the top managers in different structures should work in introducing competition among their team members in that way employee will be motivated to demonstrate a great team spirit among themselves.

Moreover, the researcher assumes that it is when the team members see a sign of competition that is when team unity tends to be strengthened. The improvement of employee's performance is conditioned also by the improvement of working conditions. The central government should work first in improving working conditions in the different structures of the public sector before to expect the improvement of employee's performance. This can be done a multi-year plan. The improvement of working conditions should consist of the renovation of the buildings, allocation of equipment like desktops, printers and also Internet connection in these structures. Thereafter, the top management can design an employee's development plan for the entire public sector which will include recruitment process, a series of training for capacity building, establish a performance appraisal and career development system, a reward system, and define clear conditions that need to be fulfilled for employee's promotion to a higher grade. Following are the suggestions on how the researcher think these systems can be established and also managed.

Recruitment Process: The researcher recommends that the recruitments for all categories of employment should be fair and competitive. The central government can re-introduce an entrance to the public sector examination for all categories of employment: executive manager, middle manager and employee. By introducing this approach, the public sector will somehow have qualified personnel for each of its structures.

Training for Capacity Building: The researcher recommends that together with the employees the top management should adopt an employee's decision-making approach by involving the employee in the decision making. Therefore, to come up with the catalogue of training that will be proposed for employee's capacity building, the top management together with the employees should assess the needs and decide on the type of training that will be proposed. The priority can be given to the junior employees as we assume that with the competitive recruitment process, most of the executive and middle managers will have had required training and competences in their fields. Once the internet connection has been installed in these structures of the public sector, the top management should be envisaged as soon as possible, to design an E-learning platform for the public sector to promote employee's self-study and reduce the cost of housing workshops which can be organized on need basis. In the other hand, the option of organizing webinars or video-conference can also be adopted in the aim of reducing the cost of the capacity building while in the

meantime improving the employee's performance. In this way, employees will remain competitive with their performance at work improved continuously.

Performance Appraisal and Career Development System: The researcher recommends that an annual performance management appraisal system comprised of three phases should be introduced for all categories of employment in the public sector. An effective performance management system tends to strengthen employees understanding of their performance, potential and contributions within the organization. This will also establish a framework of accountability for employees vis a vis their duties. Indeed, UNHCR (2019) stressed that "It fosters not only performance excellence and career growth but also team and individual development and learning. Moreover, poor performance management lowers morale, decreases productivity, and negatively impacts on the potential of individuals and teams". The first phase: the start of the cycle will consist of supervisees and their supervisors to come up to an agreement on the work objectives to be achieved and the competencies to be demonstrated within the evaluation period; The second phase: Mid-year review will consist of supervisors and supervisees discussion on overall supervisee's performance and progress towards achieving the objectives and demonstrating the competencies agreed upon; The third phase: final evaluation will consist of the supervisee to initiate a self-evaluation and the supervisor will complete the evaluation based on the supervisee's self-evaluation.

Reward System: The researcher recommends a reward system to be established for the public sector. The criteria to become eligible for a reward can be discussed in the employee's decision-making forum (Ariff & Karen, 2018). Nonetheless, the researcher suggests but not limited to rewards in form of recognition of services rendered certificate that can be issued to the employees, bonus for employees that perform to the successful completion of their duties, etc. It can be also a good idea to consider promotion to a higher grade as a reward for employees that demonstrate good performance management for several years. By doing so, the researcher assumes that the approach can improve an employee's performance and boost employees and team morale at work.

Promotion to a Higher Grade: The researcher recommends the top management to establish clear criteria that will be used for the employee's promotion to a higher grade. These can also be discussed in the employee's decision-making forum. The criteria can be for example but not limited to the qualification (academic background), number of years of experience, performance management, etc.

Contributions to the knowledge: As mentioned earlier, there were limited researches on the topic and this study was also limited to understanding the factors that affect the employee's performance. However, the researcher tried to provide answers to some of the weaknesses identified in these previous researches. First and foremost, the researcher reinforced the knowledge on the topic and established the correlation between managerial decision-making and employee's performance. Indeed, as perceived by the respondents that were sampled the decisions taken by the top management have a significant impact on the employee's performance. The researcher further explored the inter-linkage between the organizational culture and the decisions made by the top managers that have a direct impact on employee's performance.

It was revealed in the study that, the management of the public sector in the Republic of Congo is fully dependant of the different ministers who are managed by ministers from the central government. Hence, the organizational culture in its structures is more of power culture. The researcher further observed during the study that the decisions in the public sector are mostly taken on political grounds. Moreover, this reinforced what Handy (1993) highlighted the power culture in which environment the decisions are mostly taken based on a balance of influence not on well-established procedural or logical grounds. The researcher considers the information in this research paper as the basis for further researches on the factors that affect employee's performance in the public sector.

However, there were several limitations encountered during the present study such as access to the data that, the researcher intended to collect in the different services of Makelekele Town Hall. The analysis of the interview questionnaires shows that some employees were reluctant to share their true opinions. Even though, the researcher explained explicitly to the employees the ethical considerations of the research that only anonymous information was to be collected and all information collected were to be handled

confidentially. The researcher was unable to analyse the open-ended questions given that most of these were not filled. Hence, the competing values and the sources of the decision making were not analysed in the course of this study. Nonetheless, no study has been conducted before in connection with this issue. This represents then an initial step to investigate the root cause of the inefficiency in the public sector. Therefore, now the public sector in the Republic of Congo can utilize the information in this research paper to improve the employee's performance and create the innovation culture in its several structures for the benefit of the population.

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