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We thank the great minds that have sacrificed to sustain the publication of this journal. We also thank all the authors whose works appear in the current issue and enjoin authors whose works have not succeeded in getting published not to relent. It is in persistently aspiring to improve that the seeds of success blossom and multiply.

We are particularly grateful to the members of the Editorial Advisory Board for their effort and assistance. The great sacrifices of all our manuscript reviewers are also acknowledged. We are also grateful to all those who have offered secretarial and administrative support to get this issue published.

Above all, we thank God Almighty for helping us.

Semiu Babtunde Adeyemi (PhD, ACA, AMNIM)
The Editor.
Faculty of Business Administration.
University of Lagos.
Akoka, Yaba.
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Abstract

The effect of environmental characteristics and uncertainty on strategic planning was investigated in this study. Twelve firms (7 in the Banking Industry, and 5 in the Manufacturing Industry) operating in Lagos State of Nigeria were chosen for this study. Questionnaire was administered on selected respondents in these companies. Data were analyzed using a principal components factor analysis with varimax rotation, Pearson's Zero-Order correlation, and regression analysis. Results show that uncertainty is a strong moderator of environmental characteristics and industry groupings but does not have a consistent impact on all aspects of strategic planning.

Keywords: Environmental characteristics, uncertainty, Strategic planning, Organization.

1. INTRODUCTION

Modern organizations place premium on the adaptive capacity to cope with technological, political, economic, and social change. This capacity involves responding appropriately and effectively to the changing requirements of a dynamic environment. The impacts of change on organization are numerous. Organizations face a new and different environment that makes new and different demands. Central to the problem of adaptation is the process of strategic planning and the implementation of specific changes. Strategic planning is a systematic process for making decisions and developing a work plan to guide a firm toward its desired results (Urbanik, 2008). Strategy means a plan or a set of actions for the deployment of resources in a certain matter in order to achieve a long-term objective (Elbanna and Younies, 2008). The best strategic plans recognize change. They are inevitable and are consequently created with the flexibility to adapt the plan as the need arises, thereby keeping the plan relevant and useful without a significant amount of rework (Urbanik, 2008). The planning for change and its implementation are independent: the way in which change is planned has an impact on the way in which it is carried out and, conversely, the problem of implementing change has an impact on the way in which it is planned. Specifically, the main issue responsible for change in planning and its implementation may not be unconnected with factors in the environment and its associated uncertainty.

There has been an increasing concern by managers on the issues regarding the direct and indirect impact of environment on organization and its processes. Current literature on long range strategic planning have been inundated with series of issues in which special attention is being paid to the critical boundary-spanning and information processing roles of the planning function. Understanding the impact of environment and its uncertainties on this planning function appears to be its formative stages. From a review of current literature, it is clear that additional research is needed in understanding such issues as:

1. the nature of the organization's task environment and
2. the impact that uncertainty has on processing information through the planning function.

Thus, the primary purpose of this study therefore is to investigate the
II. LITERATURE REVIEW

Adequacy of Information at the Strategic Planning level

The effect of environmental conditions and characteristics on the perceptions of top managers and the strategy making process is of growing interest to many studies in strategic management. (Fiesinger, 1992; Filho, 1985). The growing importance of strategic planning recognizes the need for organizations to establish formal linkages between external elements of the organization and internal decision making or resource allocation functions. Aldrich (1986) contends that boundary-spanning activities contribute to the flow of information and influence across organizational boundaries. In this role, strategic planners in corporate organizations have a specific function of gate-keeping for information originating in the environment, and they take the responsibility of filtering or selecting information to be passed into the organization. This function reduces the risk of information overload by organization members. The overload phenomena can be brought about nebulous, contradictory or incomprehensible supply, which are information quality problems. Therefore, instead of providing more information, firms should concentrate on providing good quality information for decision makers (Rajaniemi, 2004). The strategic planners in corporate organizations becomes important owing to the fact that information may have strategic value, be relevant to short term tactical managerial deflections, or concern technical developments that may affect an organization's technical core.

The gate-keeping or filtering role of strategic planners in this circumstance is not an easy one. This is because external information seldom consists of simple verifiable facts. Thus, strategic planner plays the role of absorbing uncertainty when passing on information in a factual form to the organization. Recipients of such information must rely and act on such information as though the boundary-spanner's interpretations are accurate (Aldrich, 1976).

Added to the responsibilities of Strategic planners is the need to exercise discretion and develop expertise for interpreting external information to members even when environments are unstable. At the same time, unstable, dynamic and scanty environments may require a proliferation of gate-keeping roles and thereby may diminish the role of a single individual. Therefore, the importance of the strategic planner's role will depend on the stability of the environment and the resulting accuracy of information passed into the organization. It therefore becomes important to pay special attention to the accuracy of the information being passed into the strategic planning system.

The Concept of Uncertainty in the Environment

It is essential that some understanding be developed about the nature of organization environment owing to the boundary-spanning role of strategic planners which requires that they effectively assess their organization's external environment. A reasonable number of studies have attempted to identify or confirm the elements comprising external environment (Duncan, 1982; Schoemaker and Schoemaker, 1995). These studies have focused on that part of the environment, referred to as task environment (Osborn, 1987). This is a segment of the environment that is most relevant to goal setting and goal attainment (Hills and Jones, 1993).

In the same vein, series of studies have questioned the adequacy of research methodology used in early studies (Downey, Hellriegel and Slocum, 1985; Osborn, 1984). The use of uncertainty measures in combination with environmental assessments has only complicated the understanding of environmental dimensions. Several studies have, however, used uncertainty to specify the environment's effects on the organization's strategy making process (Downey and Slocum, 1975: Duncan, 1982) and on the perceptions of top management staff (Bourgeois, 1988; Lindsay and Rue, 1980). Lindsay and Rue (1980), for example, used the simple complex and static-dynamic dimensions of internal and external environment. Questions remain as to the relationships among perceptions of uncertainty, environmental characteristics, and strategic planning activities. From this, it is proposed that:

H₁: There is no relationship between environmental characteristics and uncertainty, and strategic planning.
A total of 120 respondents from the 12 twelve firms were administered copies of questionnaire. Of these, 85 copies were usable in the analysis.

3.1 Analytical Procedures

1. Environment Dimensions

The five environmental dimensions: customers, suppliers, competitors, socio-political, and technology were determined by given them scores (ES) calculated as follows:

\[ ES_i = P_i (D_i + R_i) \]

Where \( i \) = the environmental element being scored
\( P_i \) = the importance of the element \( i \)
\( D_i \) = the adequacy of information on element \( i \)
\( R_i \) = predictability of element \( P_i \)'s reaction to the firm's decisions.

The underlying structures of these elements scores were then analyzed using a principal components factor analysis with VARIMAX rotation. Chronbach's alpha for the customer dimension factor showed internal consistency of 65; the remaining alphas ranged from .70 to .88.

2. Environmental Uncertainty

There is a general question raised by Bourgeois (1988) as to whether measures of environmental uncertainty should be incorporated into the measures of the environmental elements themselves. For example, in his study, Bourgeois (1988) included uncertainty within the score of the environmental element. Instead of using \( ES_i = P_i (D_i + R_i) \), Bourgeois calculated a perceived environment plus uncertainty score (RVX) for the elements as follows:

\[ RVX_i = P_i (D_i + R_i + VR_i) \]

Where \( i \) = the environmental element being scored
\( P_i \) = the importance of the element \( i \)
\( D_i \) = the adequacy of information on element \( i \)
\( R_i \) = predictability of element \( P_i \)'s reaction to the firm's decisions.
\( V_i \) = uncertainty of effects of elements \( i \)'s reaction to the firm's decision
\( X \) = Span of uncertainty about the effects of element \( i \).
The measurement of V and R are used from Duncan (1982) and Bourgeois (1988) interactively to assess overall uncertainty. V represents the level of certainty perceived about the environmental element being scored. X represents the span of uncertainty that the rater had about the level of V selected. Therefore, if a rater feels moderately confident (5 on a 1 to 10 scale) about information received, but feels that this could vary from .25 to .75, the final score would be .5x5 or 2.5. At this point, no attempt has been made to come up with a better measure of uncertainty.

Chronbach's alphas ranged from .60 and .65 for the competitive and mixed factors, respectively, to .80 and .85 for the socio-political and supplier/technological factors.

To test the similarity between ES and RVX factors, paired comparisons of the two factor matrices were made using the coefficient of congruence (Harman, 1976). This index of factor loading similarity tested the consistency of rotated factor loadings across the two scoring techniques.

Similarity between the two factor structures and their corresponding scoring techniques would be indicated by coefficients of at least .75, with coefficients of .85 or above showing considerable similarity (Whitely & England, 1987). Coefficients of congruence showed:

-- (1) high similarity between the supplier/technological dimension factors (.87) and the sociopolitical dimension factors (.85),
-- (2) marginal similarity between the customer dimension factors (.76), and
-- (3) no similarity between the remaining technological and mixed factors (.02).

IV. DATA ANALYSIS

Two specific areas were emphasized in this analysis. (1) the use of five environmental dimensions and (2) the use of uncertainty measures as an integral part of environmental scoring techniques.

The use of Uncertainty in environmental analysis.

The ES factors clearly indicate that the competitive dimension is not a separate component but instead loads on the customer and supplier components. In this analysis, this study considered some of the shortcoming which were based on the following factors:

1. the inability to decipher if the environmental structure has changed.
2. whether, in fact, only four environmental dimensions existed.
3. whether the questions about the competitive environment simply are inadequate to measure that dimensions.
4. or whether the sample used is unique in the structure of the competitive dimension.

Whatever the reasons, these results suggest that environmental calculations may have overestimated the complexity of a firm's environment by squaring the number of environmental dimensions rated as important to the firm (Duncan, 1982).

The RVX factors also suggest that including uncertainty as part of the environmental evaluation leaves a conceptually unclear factor structure. The inclusion of uncertainty (Bourgeois, 1988) would suggest that competition for customer, labor supply, and relationship with trade unions have a common factor structure. Supplier and technological dimensions also load on a common factor. The clarity of the ES factor patterns, however, does provide more support for basic environmental framework.

Table 1: Pearson's Zero-Order Correlations between Factor structures with and without Uncertainty Measures

<table>
<thead>
<tr>
<th>PE Factors (excluding uncertainty)</th>
<th>RVX Factors (including Uncertainty)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1</td>
<td>Factor II</td>
</tr>
<tr>
<td>.59**</td>
<td>.11</td>
</tr>
<tr>
<td>.20</td>
<td>.77**</td>
</tr>
<tr>
<td>.04</td>
<td>.66**</td>
</tr>
<tr>
<td>.16</td>
<td>.39**</td>
</tr>
<tr>
<td>.26**</td>
<td>.57**</td>
</tr>
</tbody>
</table>

*P ≤ .05  **P ≤ .01  Source: Analysis of Survey data (2009)
Table 1 above shows the correlations between the ES and RVX factor structures. In order to determine whether uncertainty measures aid in the analysis of strategic planning, an assessment ES and RVX factors were compared by industry groupings and planning completeness measures as follows:

(1) Industry groups.
Using the industry groupings, zero-order correlations were calculated between these industry groupings and the ES and RVX factor structure scores. Z-tests showed that no significant differences exist between the correlations of ES and RVX factors for industry groups.

(2) Planning levels.
Using planning completeness suggested by Lindsay and Rue's measures, each respondent's planning system was classified as either an impoverished, programmed, or progressive long range planning system. Zero-order correlations were calculated between these planning levels and the ES and RVX factor structure scores. Z-tests showed no significant differences between the correlations of ES and RVX factors for planning levels.

These results showed that there was no significant difference between ES and RVX scores as they relate to industry groups or planning levels, suggesting that it may be better off using ES factors (excluding uncertainty), because of the conceptual clarity shown in the ES factor structure. Not only do the ES factor structures make conceptual sense, but they also show consistency with four of original external environmental components.

The using Uncertainty as a Moderator
Although uncertainty does not improve the description of industry groups or planning levels when included in-environmental scoring techniques, levels of uncertainty may have an indirect effect on these variables. Using uncertainty measure ($VX$, in the RVX calculation), zero-order correlations between these $VX$ scores and the industry groups and planning levels confirmed that no direct relationships existed among uncertainty, industry groups, and planning levels.

The question then remains whether uncertainty moderates in any way the relationships among industry groups, planning levels, and environmental dimensions. To test this question, uncertainty scores for each firm were calculated for each of the four components derived from the ES factor matrix. Moderated regression analysis then was used to assess the impact that uncertainty might have on industry groups and planning levels (Zedeck, 1991). For industry group and planning level, both linear regression and moderated regression models were constructed for each of the environmental dimensions (customers, suppliers, sociopolitical, and technological dimensions) plus a total score summing the four dimensions. The linear regression models were:

$$ LR = (VX)_i + F_e $$
$$ DG = (VX)_i + F_e $$

and the moderated regression models were:

$$ LR = (VX)_i + F_e + (VX)_i F_e $$
$$ DG = (VX)_i + F_e + (VX)_i F_e $$

Where $LR$ = planning level, $DG$ = industry group, $E$ = the environmental dimension, $(VX)_i$ = the uncertainty score for environmental dimension, $F_e$ = the factor (ES) score for the environmental dimension, $(VX)_i F_e$ = the product of the uncertainty and factor score for environmental dimension.
Table 2: Moderated Regression Analysis of Uncertainty on the relationships among environmental Dimensions, Industry Groups, and Planning Levels.

<table>
<thead>
<tr>
<th>Environmental Dimensions</th>
<th>Industry Groups</th>
<th>Planning Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Rₕ  .18</td>
<td>.07</td>
</tr>
<tr>
<td></td>
<td>Rₚ  .21</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>F  3.84**</td>
<td>.99</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Rₕ  .25</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>Rₚ  .30</td>
<td>.12</td>
</tr>
<tr>
<td></td>
<td>F  6.59**</td>
<td>4.22**</td>
</tr>
<tr>
<td>Government and Society</td>
<td>Rₕ  .26</td>
<td>.10</td>
</tr>
<tr>
<td></td>
<td>Rₚ  .37</td>
<td>.11</td>
</tr>
<tr>
<td></td>
<td>F  15.75**</td>
<td>1.07</td>
</tr>
<tr>
<td>Technology</td>
<td>Rₕ  .08</td>
<td>.10</td>
</tr>
<tr>
<td></td>
<td>Rₚ  .32</td>
<td>.18</td>
</tr>
<tr>
<td></td>
<td>F  30.11**</td>
<td>8.93**</td>
</tr>
<tr>
<td>Total</td>
<td>Rₕ  .16</td>
<td>.18</td>
</tr>
<tr>
<td></td>
<td>Rₚ  .20</td>
<td>.18</td>
</tr>
<tr>
<td></td>
<td>F  5.33**</td>
<td>.06</td>
</tr>
</tbody>
</table>

*p < .05  **p < .01  Source: Analysis of Survey data (2009)

Table 2 shows the results of the linear regression model (Rₕ) and the moderated regression model (Rₚ). The F-test for significance between regression results shows that uncertainty moderates the relationships among industry groups for all environmental dimensions. The impact of uncertainty on planning levels is less clear, but it at least appears to moderate significantly the relationship between planning levels for the supplier and technological dimensions of the environment.

The overall moderating effects of uncertainty on industry groups suggested that further analysis of industry groups by level of uncertainty was in order. For such subgroup analysis, the sample was divided into high and low uncertainty groups according to a mean split of their uncertainty scores. Zero-order correlations between industry group and environmental dimension factor scores (ES) then were calculated for both the high and low uncertainty groups.

Table 3 also shows industry groups higher zero-order correlations with all the environmental dimension factor scores in the high uncertainty subgroups. Although these differences were large, z-tests showed that only the “supply” dimension was significantly different between high and low uncertainty subgroups. The differences shown in both the moderated regression and subgroup analyses suggest that level of uncertainty is a useful moderator for industry-environmental studies.

V. SUMMARY OF FINDINGS AND DISCUSSION

The above results are clear evidence that uncertainty does not have a consistent impact on all aspects of strategic planning. The separation of uncertainty measures from environmental perception scores appears to be a more conceptually clear approach to environmental studies. This study also suggests that uncertainty is a strong moderator of environmental characteristics and industry groupings. Uncertainty, as measured in this study, showed only a limited impact on the relationship between strategic planning systems and environmental characteristics. That uncertainty has only a limited moderating effect on the relationship between strategic planning and environmental characteristics suggests that major advances could be made by planners in this area. The apparent understanding that strategic planners have for the uncertainty in their industry group suggests that planners do absorb environmental uncertainty by limiting its impact on the firm's planning activities. This behaviour could account for the weak impact that uncertainty shows on the planning-environmental relationships and might also be restricting the development of planning systems that are sensitive to the uncertainty of the particular industry.
VI. CONCLUSION AND RECOMMENDATION

Organisations operate within the framework of several environments. These environments are full of uncertainties. The uncertainties affect the survival, growth and success of organisations as well as the efficiency of managers. Therefore, it is highly imperative for managers, planners and businesses to understand the uncertainties in their environments with a view to limiting the impacts of these on the firms' strategic planning activities. Hence, managers' knowledge of the interaction between environmental characteristics and uncertainty, and strategic planning cannot be overemphasized because of its relevance in carrying out strategic planning activities and the achievement of organizational objectives.

REFERENCES


ASSESSMENT OF THE LEVEL OF PARTICIPATION OF WORKERS TOWARDS DEVELOPING OLD AGE SURVIVAL POLICIES USING THE INFORMAL SECTOR

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ABSTRACT

Informal sector in Nigeria is a provider of employment. It is very precarious in nature. The sector is disorganized, unprotected and unregulated. The employment strategy is not formalized therefore; it is not given a greater attention in valuation of national income account. The sector fights against unemployment, dismissal and underemployment. The provisions for survival through their activities are usually tentative. This study realized that their expected income often comes through daily contributions(“Ajo/Esusu”, “Adashi” and “Utu-ubochi”) in Yoruba, Hausa and Igbo languages) and is distributed for various uses. In the study, various activities from artisans and craftsmen in rural and urban settlements in Lagos(Nigeria) were selected. Survival strategies were verified and chi-square tests carried out to find out the dependency of activities and income from selected variables. This was used to establish the emphasis on their plans for old age survival. It was realized that informal sector is a flourishing sector due to participants’ passion and quest for economic survival. Generally, employment provision cuts across various ages. The main purpose of this study is to assess the extent of involvement of the workers in the informal economy, towards development of old age survival policies.