ASSESSMENT OF THE EFFECTS OF INDUSTRIAL ACTIONS ON CONSUMER BUYING BEHAVIOUR IN IDAH, KOGI STATE, NIGERIA

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Abstract

The circular flow of income is pivotal to any economic fortunes however, the behavioural patterns of consumers is largely responsible for such economic phenomenon. Through, the income, profit and savings when hampered resulting from the general slow down in economic activities affect general slow down in economic activities affect the health of economy. The paper titled "assessment of the effects of industrial actions on the consumer buying behaviour in Idah, Kogi State, Nigeria " is written to investigate the effects of industrial strike embarked upon by the staff of Federal Polytechnic Idah, Kogi State vis-a-via how the "no work no pay" policy affects consumers 'buying behaviours'. The researchers elicit data from both primary and secondary sources and data were generated through questionnaires, interview and literature. The z - test statistical tool was used to test the hypothesis and this was also consolidated with the five points likert scale. The study reveals that consumer buying behaviour was adversely affected by recession and recommends that an integrated mechanism towards improving consumer buying behaviour during recession should be introduced.

Keywords: Recession, Consumer, Buying Behaviour, Economy.

Introduction

There is a universal axiom by most players of economy that income plays a significant role in shaping the economy. Through, Burt and Yeller (2009) observed that consumer spending habit. Plays a pivotal role in determining the extent to which the economic fortunes could be attained, the buying behaviour consequently is dampened by the recession in the economy (National Bureau of Economic Research 2008). Recession according to Merriam (2008) and N.B.E.R. (2008) is a business cycle controversy which results to the general slow down in economic activities and the general wellbeing of the citizens. The decline in consumer spending habit resulting from either sudden halt in income and or uncertainty in income profile of the people has significant adverse affect on the general economic climate of the people and area (Dudousky 2013). These negative trends could be manifested in unemployment, geometric decrease in business activities, and such could be manifested in unemployment, geometric decrees in business activities, e.t.c.

The industrial action embarked upon by the Academic Staff Union of Polytechnics (ASUP) and Non-academic Staff Union of Educational and Associated Institutions (NASU) both of Nigerian polytechnics and consequent directive and implementation of "no work no pay" policy affects the employees, students, polytechnic community and the economy of the host communities. This according to the Bowmer (2009) is due to the multiplier effects of decline in circular flow of income and mono-income profile in any economy.

This has affected the behavioural pattern of consumers which have resulted in the general decline in patronage of goods/services and consequently almost paralyzing the purchase pattern of employees/consumers, short-term and strategic forecasting of consumer patronage and the buying decision of the employees.

Therefore, this research is set to appraise the effects on consumer buying behaviour in Idah local government of Kogi state Nigeria and its lesson to both the employees, students, polytechnic community and the entire community with the view to give sound recommendation that will guarantee a sound and virile economy.

Statement of the problem

The international food policy research institute (2013) ranked Nigeria low in global hungry index resulting to undernourishment, child under weights and child mortality. This therefore shows that there are link between economic activities and standard of living since economic activities in developing nations especially Nigeria is still in the decline. Therefore the income level, savings, profitability and investment largely depends on the income and behavioural pattern of consumers. Consequently, decline or a halt in income will adversely affect the wellbeing of the citizens and the health of the economy. Thus: recession in idah local government area resulting from the industrial strike have adversely affected the consumer buying behaviour and the overall economic fortune of the area. It is on this premise that the research is being carried out.

Objectives of the study

This research will specifically investigate the effects of recession on consumer buying behaviour in Idah Local \Government Area of Kogi state, Nigeria.
The research will also explore the following:
1. Appraise the connectivity between consumer income and their buying behaviour.
2. Examine the extent to which consumer buying behaviour affects the overall economy of the area
3. Make sound recommendation that will improve the consumer buying behaviour and also put the economy on a sound footing.

Research proposition

The consumer buying behaviour in idah local government area is adversely affected by recession resulting from the industrial strike in the polytechnic sector.

Scope of study

This study examined the buying behaviour of employees who were affected by the "no work no pay" policy in Federal Polytechnic Idah Kogi State, Nigeria for the period of February to June, 2014.

Research hypotheses

These researchers have formulated some hypothetical statements which are stated in their null form to guide the research.
Ho: $_1$ Consumer buying behaviour is not affected by rescission.
Ho: $_2$ The consumer buying behaviour is not influenced by their income.

Conceptual framework

The concept of recession according to Samuelson (2010) means the general slowdown in economic activities which has resultant effect on macro-economic indicators which include income, profitability and rise in unemployment rate.

More so, Izzo (2009) argued that recession occurs when there is widespread decline in spending resulting to adverse demand shock. These concepts were concurred by Altay (2008) and Ailing(2011) but went further to say that recession has may features which can concurrently come to play such as declines in components measure of (GDP) which include consumption, investment, government spending and net profile of export activities. The recession obviously affects the fortunes of the people vis-à-vis their spending which no doubt according to Burt and yeller (2009) have direct and indirect impact on the people.

Buying behaviour is an observable behavioural consumer patterns which govern the prospects of consumer buying decision (Kollter and Keller 2006). More so, Dewey (2007) sees buying behaviour as an array of behavioural traits and choices made by a consumer prior to making a particular purchase. Mickenzie and Schargrodsky (2011) see buying as the decision process and acts of people involved in buying and using goods while consumer buying behaviour refers to the buying behavioural pattern of the consumer which was influenced by cultural, social, personal and psychological attributes. Consequently, an understanding of these factors is essential in propelling and suitably developing an ideal and meaningful customer behavioural pattern.

An overview of polytechnic education in Nigeria

The national policy on Education section 1 item 4 of the 2004 edition requires that school programme must be relevant, practical and comprehensive while interest and ability should determine individual direction in education, (FRN). The policy could be traced to 1932 when the Yaba College of Technology then (Yaba Higher College) was established to provide technical and vocational education to the citizens. As part of steps in expanding this goal, the promulgation of Decree no 33 of 1979 brought about more polytechnics in Nigeria.

Specifically, the goal of polytechnic education is among other things to provide technical knowledge and skills necessary for agriculture, industrial, commercial and economic development in Nigeria. Considering the pivotal role polytechnic education has to Nigerian economy, more federal state and private polytechnics has been established in Nigeria and they are supervised by the National Board for Technical Education (NTBE).

The underlying causes of the strike

Through, the issue of strike in Nigerian educational system will amount to parrotive repetition attributing it to a particular administration. This phenomenon cut across both the military and democratic era and it is highly counter-productive, paralyze the educational system and threaten the future of teaming Nigerian youths, however, this research can not exhaustively discuss the strike system in Nigerian educational system but focus shall be layed on the industrial action between February to June 2014, (http://www.osundefender.org).

The strike was basically embarked upon by major unions. (Academic and non-Academic) in the polytechnic sector to press home their demand as a result of the failure of government to fulfill her promises and agreement being entered into which bothers on employee welfare, upgrade of infrastructure to improve polytechnic system in Nigeria. Consequently, these unions

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embarked on strike as their last resort and however, it is hope that the strike these challenges would be addressed.

The Effect Recession on Consumer Behaviour

Recession no doubt lower economic activities and it poses some challenges which according to NBER (2 008) cut across economic and social dimensions. Therefore, recession induced negative gross domestic product (GDP) gap and productivity also tends to fall while the standard of living of the area is adversely affected.

Trough Romesh (2009) concludes that people who depend on wages and salaries are more affected by recession than those who rely on fixed income or welfare benefits; there is tendency that during recession, economic activities is hampered while consumer behaviour is irrational and disproportion to the market supply (Kotter 2007). Consumer buying behaviour is hampered because of low purchasing power; lower economic activities and this consequently disrupt the general economic activities and the social wellbeing of the masses. Consequently, consumer buying behaviour and the resulting purchase decision which are strongly influenced by cultural, social, personal and psychological characteristics and boost the economy have hampered due to recession and lower economic fortunes.

Research methodology

The study was conducted in Idah Local Government Area of Kogi state, Nigeria. The researchers however, focused on the employees who were on strike in Federal Polytechnic Idah. Questionnaires were administered to the respondents while some were also interviewed. The variables used for the questionnaires were personal data and research questions. These variables are expected to explore the salient areas that relate to consumer buying behaviour during the recession, a total of two hundred and eighteen (218) questionnaires were distributed but only one hundred and sixty one (161) was returned giving a response rate of 74%, the five point likert scale was used to extract data with a weighting point of 1 - 5 points respectively.

Study area, population and sample size

Idah Local Government Area is on the eastern bank of the river Niger, the middle belt region of Nigeria. The Local Government was created in 1976 and has mass of 39.79 square kms. It has a total population of 79, 815. Idah Local Government Area is the traditional headquarter of Igala kingdom and the seat of Atta of Igala. It landmass formerly extended to Ofu, Igalamela/Odolu and Ibaji Local Government Areas in Nigeria. The population of this study is the members of academic and non-academic staff of Federal Polytechnic Idah, Kogi state who were on strike between January through June, 2014. The research revealed that there were three hundred and ten (310) academic staff and three hundred and fifty five (355) non-academic staff making a total of six hundred and fifty five (655). However, the researchers adopted the Yaro-Yamani. Statistical formula of

$$\frac{N}{1+N (e)^2}$$ where they obtained the sample size of two hundred and eighteen (218).

Method of data analysis

Data collected for this research were analyzed using Z test. This method is applicable if one wants to test whether the means of two populations differ. The researchers wish to explore

whether the responses differ from the selected population mean. A mean score of ≥ 3.00 is regarded as an accepted mean score; while a mean score < 3.00 will be rejected.

Data Presentation and Analysis

This section deals with the presentation and analysis of data collected through questionnaires administered. Data were analyzed using mean and standard deviation. Z – score was used based on 5d° level of significance.

Reliability of the Instrument

In estimating the reliability of this research, the researchers administered the research questions to some selected respondents twice. The second administration of the instrument was four weeks after the first exercise and the resulting scores were correlated using pearson product moment correlation approach. This yield the co-efficient pf r- 082, this score which indicates that the instrument is very reliable.

Presentation of data

Table 1 Personal Profile of Respondent.

S/No	Variable	Options	Frequency	Percentage %	Cumulative percentages
1	Age (in years)	16 - 30	36	22	22
		31 - 45	72	45	77
		46 and above	53	33	100
		Total	161	100	100
2	Religion	Christianity	81	50	50
		Islam	74	46	96
		Others	06	04	100
		Total	161	100	100
3	Marital status	Single	55	34	34
		Married	97	60	94
		Divorced	06	04	98
		Widowed	03	02	100
		Total	161	100	
4	Educational qualification	Primary	09	06	06
		Secondary	17	11	17
		ND/NCE	24	15	32
		HND/BSC	77	48	80
		MSC/Ph.d	20	12	92
		Others	14	08	100
		Total	161	100	100
5	Gender	Male	109	68	68
		Female	52	32	100
		Total	161	100	100
6	Category of job	Non-academic	78	48	48
		Academic	83	52	100
		Total	161	100	100
7.	Length of service	1 – 10 years	50	31	31
		11 – 20 years	61	38	69
		21 – 30 years	28	17	86
		31 years and above	22	14	100
		Total	161	100	

Source: Field research (2014).

The table above shows that most of the respondents fall between the ages 31 – 45 with 45% and most of the respondents are Christians with 50%. More so, 60% of the respondents are married, while 48% of the respondents have HND/Bsc as their academic qualification. Most of the respondents are male with 68% and 52% of the respondents are non-academic staff. Finally, most of the respondents have been working between 11 – 20 years with 61%.

Table II: whether Consumer Buying Behaviour is affected by Recession.

S/No	Variables	SA	A	U	D	SD	Total	Weighted total
		5	4	3	2	1		
1	Consumer buying behaviour is not affected by recession.	9	13	10	44	85	161	300
2	Recession has not adversely affected the choice of consumers.	8	7	24	40	82	161	302
3	The consumers do not encountered physiological barriers during recession.	14	20	27	37	63	161	332
4	The rate of advisement does not increase sales during recession.	18	16	18	20	89	161	337
5	Goods and services are not affordable to consumers during recession.	5	9	7	35	105	161	235

Source: field survey research (2014).

Table III: Whether the Consumer Buying Behaviour is influenced by their Income.

S/No	Variables	SA	A	U	D	SD	Total	Weighted total
		5	4	3	2	1		
1	Consumer buying behaviour is not influenced by their income.	16	19	4	48	74	161	338
2	The purchasing power of consumer is not associated with their income.	9	9	5	61	77	161	295
3	Quality products and services could not been purchase by consumers during recession.	14	17	3	42	85	161	316
4	Income of consumers is adversely affected during recession.	21	23	3	39	75	161	359
5	The economic forces are not affected during recession.	22	26	9	66	38	161	411

Source: field survey (2014)

Hypotheses testing
Two hypotheses were formulated and tested for the purpose of providing answers to the stated objectives and the hypotheses were stated in their null form.

Decision criterion
Where the Z calculated value is greater than Z – critical tabulated value, we accept the alternative hypothesis and reject null hypothesis otherwise we reject the (HI) and accept (Ho).

Hypothesis one
Ho: consumer buying behaviour is not affected by recession.
The respondents' data to questions in table II are collated for the hypothesis.
Means of population (u) 3 x 16 x 5 = 483
$$5$$
Means of sample (X): $\Sigma = 1514 = 303$
$$n 5$$
Standard deviation (6): $\sqrt{\Sigma \dfrac{(X-X)^2}{n}}$

$= 5607$
$5 = \sqrt{1121} = 33$
Z – test statistic = $\dfrac{x - u}{6}$
$= 303 – 4.83$
$33 = 5.5$

Decision
Since Z – test calculated of 5.5 > 1.96 table value at 5% level of significance, we reject the (HO), which states that consumer buying behaviour is not affected by recession.

Hypothesis two
Ho: the consumer buying behaviour is not influenced by their income. The respondents data to questions in table III are collated for the hypothesis.
Means of sample (x) $\Sigma X = 1719 = 344$
$$n 5$$
Standard deviation (6): $= \sqrt{\Sigma \dfrac{(X-X)^2}{n}}$

$7935 = \sqrt{1587} = 39.8$
5
Z – test statistic = $\dfrac{x – U}{6}$
$= 344 – 483 = 3.49$
39.8

Decision
Since > test calculated of 3.49 > 1.96 z table value of 5% level of significance. We reject (Ho) which states that the consumer buying behaviour is not influenced by their income.

Discussion of Findings

The research hypotheses show that consumer buying behaviour is affected by recession and that this recession has also adversely affected the choice of consumers. More so, Consumer buying behaviour is influenced by their income and that the economic forces are greatly affected by recession. These finding are manifestation of the view of Bowmer (2009) that income, savings, profit and circular flow of income are adversely affected by recession. Hence, these findings are responses of the hypotheses tested which conform with the research proposition.

Suggestion for Further Research

Considering the complexity involved in the issue of consumer buying behaviour due to the constant dynamics of consumers, the researchers suggest that this research be replicated in other areas so as to create an avenue for comparative view of the phenomenon.

Conclusion and Recommendations

From empirical evidence and research findings in this paper, the research concludes that the consumer buying behaviour was adversely affected by recession due to the prolonged strike by employees of Federal Polytechnic Idah, Kogi State, Nigeria. The research also recommends that the employees should always explore all available means of seeking redress before embarking on strike and employees should also create other avenue of income by exploring their entrepreneurial capabilities so as to avoid depending on monthly income alone.

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