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Impact of Corporate Social Responsibility on Performance of Deposit Money Banks in Nigeria

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Abstract

Engagement in corporate social responsibility is a common practice by multi-national corporations in developed countries yet a poorly acceptable issue among companies in emerging economies such as Nigeria. Therefore, this study examined the effect of corporate social responsibility on performance of deposit money banks in Nigeria. This study employed both primary data and secondary data. The primary data was obtained through questionnaire administration while secondary data were obtained from the financial statements of fourteen selected deposit money banks in Nigeria. Ordered logit and panel least square method of multiple regression analysis were used to achieve the objectives of the study. The Hausman test result shows that the random effect model supersedes fixed effect model. The findings of random effect model showed that corporate social responsibility is a significant determinant of employee performance and profitability with coefficient values of 0.043 and 0.059 at 5%. Thus, the study concludes that corporate social responsibility has significant impact on performance of deposit money banks in Nigeria.

Keywords: Corporate social responsibility (CSR); Corporations; Social services and Financial performance.

1 Introduction

Corporate Social Responsibility has become an important agenda in the world incorporating a great expansion of hypotheses, approaches and terminologies, like social issues management, viable entrepreneurship, and business morals with the intent of addressing issues confronting various organizational structures and performances (Camilleri, 2017). It is the duties of management to act in ways that recognizes the relationship between the business and society because business organizations do not exist in a vacuum but in a society which comprises of employees, customers, government, neighbouring environment and other stakeholders which goes a long way in influencing the performance.

The primary drivers for CSR reporting came from various social issues, wherein CSR was characterized as a commitment to seek for appropriate policies, to make appropriate choices, and to follow those lines of action which are desirable in terms of the objectives and values of the society (Elias, 2004). Nonetheless, from administrative context, Richard and Okoye (2013) asserted that socially responsible business decisions could be justified by a long,

complicated process of reasoning as offering an opportunity to bring the company long-run economic gain, thus repaying it for its responsible outlook.

Hence, society expects businesses organizations, with their successful activities to resolve a significant aspect of societal problems by developing effective corporate social responsibility objective and strategies. In any case, numerous organizations in Nigeria are driven by the urge to make profits at the detriment of all the stakeholders (Akinyomi & Olutoye, 2015). Some don't satisfactorily respond to the needs of host communities, employees' welfare (cheap labour often preferred), environmental protection and community development (Osemene, 2012). Notwithstanding, the expectation of social services from corporate organizations has gotten exceptionally high in Nigeria and the negligence of the expectations by these companies has resulted to a very turbulent environment for companies operating in Nigeria. Nigerian banking sector has been bedevilled with internal (workers and investors) and external (depositors and general public) dissatisfaction, culminating to an image problem (Ngerebo & Yellowe, 2012).

There are situations when corporations exhibit socially irresponsible corporate behaviour, such as deceiving customers, swindling investors, putting consumers at risk, poisoning the environment and deceiving the public authority (Alozie & Ndu Chigozie, 2018). Hence, this study examined the impact of corporate social responsibility on performance of deposit money banks in Nigeria. The next section is literature review. This is followed by methodology and discussions of findings. The last section covers the conclusion and recommendations of the study.

2 LITERATURE REVIEW

2.1.1 Conceptual Issues: Corporate Social Responsibility

Corporate social responsibility is usually defined in terms of a company considering, managing and balancing the economic, social and environmental impacts of its activities (Parliamentary Joint Committee (PJC), 2006). Corporate social responsibility is the manner by which an organization oversees and works on its social and environmental impact to create value for both its investors and other stakeholders by innovating strategies and activities. Organization for Economic Co-operation and Development (OECD), (2003) noted that corporate responsibility involves the quest for an effective "fit" among businesses and the societies in which they operate. The functions of business in society are to yield adequate returns to shareholders by identifying and developing promising investment opportunities and, in the process, provide jobs and produce goods and services that consumers want to buy. However, corporate responsibility goes beyond this core function. Businesses are expected to respect and obey the various laws which are relevant to them and often have to respond to societal expectations that are not written down as formal law.

Amnesty International Business Group (UK) (2002) asserted that companies need to recognize that continuity in providing goods and services and creation of financial wealth will depend on their acceptability to an international society which increasingly regards protection of human rights as a condition of the corporate license to operate. Corporate Social Responsibility is the overall relationship of the organization with all of its stakeholders that include customers, employees, communities, owners/investors, government, suppliers and competitors (Khoury, Rostani, & Turnbull, 1999). Dahlsrud (2008) identified five dimensions of corporate social responsibility as; environmental, social, economic, stakeholder, and voluntary.

2.1.2 Financial Performance

Toutou and Xiaodong (2011) opined that financial performance is a general measure of how well a bank generates revenues from its capital. It shows generally a bank monetary wellbeing throughout a specified period of time, and it helps to compare the activities of different banks at the same time. The bank's financial performance generally can be recognized as its stability and profitability. The stability refers to its risk factors and profitability refers to its financial return. According to Felix and Glaudine (2008), there are different financial indicators for measuring the profitability of banks, which are Return on Asset (ROA), Return on Equity (ROE), Earnings per Share (EPS), and Tobin Q.

Return on Asset measures the efficiency with which a bank is managing its investment in asset and using them to generate profit. It is the ratio of net income to the total asset. The return on equity is the most important of all financial ratios to investors in bank because it measures how well a bank used reinvested earnings to generate additional earnings, equal to fiscal year' after tax (Harelimana, 2017). Earnings per share are seen as one of the important factors affecting the dividend policy of a firm. It is calculated by dividing the profit of the companies by the number of ordinary shares outstanding.

2.2 Theoretical Review

Utilitarian theory was propounded by Smart in 1973. The theory posits that corporations serve as part of economic framework with a mechanical capacity that can maximize profit. According to this theory, the need for economics of responsibility in the business ethics of the corporation led to the emergence of CSR ideas. The old idea of laissez faire gives business leeway to determinism, individualism to public control and personal responsibility to social responsibility. Utilitarian theory is seen as the instrument of wealth creation, and its social activities are the only means to achieve economic results.

Friedman (1970) affirmed that corporation needs to invest in the local community, in which it can be able to provide resources, amenities and conveniences to the local community. Piercy (2008) further divides the utilitarian theories into two: the social costs of the corporation and the functionalism idea. The social cost theory has a basis for CSR wherein the socio-economic system in the community is said to be influenced by the corporate non-economic forces. The utilitarian theory therefore assumes that corporation must acknowledge their social obligations and rights to participate in social corporation.

The functionalist hypothesis explicitly advocates that corporation is viewed as part of the economic system whose primary objective is to make profit. The firm is viewed as an investment which ought to maximize profits. Therefore, one may conclude that CSR is coined as a defense strategy of the industrial system against external attacks because there is a need to provide a balance between profitability and social objectives for the balance of economic systems.

2.3 Empirical Review

Maldonado-Guzman, Pinzon-Castro and Lopez-Torres (2016) analyzed the existing relationship between CSR and business performance of 397 Mexican SMEs. Using Confirmatory Factor Analysis (CFA), the results obtained showed the existence of a positive and significant relationship between CSR and business performance. Mensah (2017) examined the effect of corporate social responsibility practices on organizational commitment of employees of rural and community banks in Ghana. A self-reported questionnaire was used to collect the data from 145 employees of 50 Rural and Community Banks (RCBs).

across Ghana. Using descriptive statistics, the study found a strong positive relationship between engagement in corporate social responsibility practices and employee commitment. Engagement in corporate social responsibility practices explained 54.1% of the total variation on employee commitment. However, this relationship is insignificant when educational level and years of working with the bank is controlled for. Gender however does not confound this relationship.

Esteban-Sanchez, Cuesta-Gonzalez and Paredes-Gazquez (2017) examined the effect of corporate social responsibility practices on financial performance of 154 financial entities in 22 developed countries, most of them notably affected by financial crisis, from 2005 to 2010. The study employed static data panel models. The results show that banks with better employee relationships and corporate governance had better CFP. Nevertheless, the crisis negatively moderated this effect in the latter, suggesting failures in corporate governance mechanisms. Contrary to what was expected, the product responsibility dimension did not positively influence financial performance. The study found evidence that, during the crisis, better relations with the community could be valued positively by investors, which, in turn, increases financial performance.

Muhammad (2017) examined the impact of corporate social responsibility practices on financial performance of listed deposit money banks in Nigeria for a period of 2006 to 2013 (8years). Nine out of seventeen Banks were selected as sample of the study. The study uses secondary data from fact book and financial statements of Nigerian Stock Exchange (NSE) while total expenditure on corporate social responsibility practices serves as the independent variable, the dependent variables of financial performance were proxied by Return on Assets (ROA), Earnings per share (EPS) and Liquidity (LQT). The result reveals that CSR has a significant positive impact on ROA and EPS. CSR was also found to have a negative impact on LQT.

Alozie and Ndu (2018) evaluated corporate social responsibility practices practice and corporate performance of selected deposit money banks in Nigeria. Using data from the annual reports of five topmost DMBs in Nigeria (FBN, Zenith Bank, GT bank, UBA and Access bank), and the panel data regression technique for data analysis, it was found that there is positive and significant association between CSR and MS; and that there is no significant association between CSR and Liquidity.

Qun, Abdullah and Alvi (2018) evaluated the relationship between employee perception of corporate social responsibility practices (CSR) and employee's outcome in Pakistan for SMEs. The quantitative method was used to collect data from 300 SME's. While regression analysis was performed for mediation analysis. The results showed that organizational justice partially mediated between employee's perception of corporate social responsibility practices and employee's outcomes. Agyemang and Ansong (2018) examined the influence of corporate social responsibility practices on financial performance of small and medium-sized enterprises (SMEs) in Ghana by using access to capital and firm reputation as mediating variables. The study collected primary data from 423 SMEs within the Accra Metropolis. Partial least squares estimation technique was used to analyze the data. The study revealed a mechanism through which corporate social responsibility practices results in financial performance of firms.

4 Research Gap

Most studies (such as Omoro, Kinyua, & Okiro, 2014; Iqbal, Ahmad, Hamad, Bashir, & Attar, 2014; Muhammad, 2017) focused on CSR and financial performance. However, there

is need to examine the impact of corporate social responsibility on the operational performance of deposit money banks in Nigeria. Hence, this study focused on CSR and operational performance of deposit money banks in Nigeria. The study covers non-financial performance such as customer service delivery while dividend per share were uniquely used to measure financial performance.

More so, the previous studies classified corporate social responsibility as a unique variable. However, this study classified CSR as Educational Related Corporate Social Responsibility, Community Development focused Corporate Social Responsibility and Philanthropy Related Corporate Social Responsibility. All these were done with the aim of investigating the impact of CSR on performance of deposit money banks in Nigeria, banking sector being an important sector contributing to the nation's economy.

3 Methodology

This study examined corporate social responsibility and performance of deposit money banks in Nigeria. Primary and secondary data were employed. The primary data were obtained through copies of questionnaire administered on officials of deposit money banks in Lagos state. Lagos state was chosen because it is the biggest commercial centre in Nigeria and also has the highest number of banks' branches in the country. One hundred and twenty five copies of questionnaire were distributed and used for the analysis of the study. The secondary data was obtained from audited annual reports of fourteen quoted deposit money banks in Nigeria covering eight years (2012-2019). The choice of 2012 year was because Nigerian deposit money banks commenced the adoption of International Financial Reporting Standards while as at the time of this study, 2020 financial reports of Nigerian deposit money banks are yet to be published.

The fourteen (14) banks selected were: Access Bank, Diamond Bank, Ecobank, Fidelity Bank, First Bank PLC, First City Monument Bank (FCMB), Guaranty Trust Bank (GTB), Stanbic IBTC Bank, Sterling Bank, United Bank of Africa (UBA), Unity Bank, Union Bank, Wema Bank and Zenith Bank. The choice of these selected banks was because they are deposit money banks quoted on Nigerian Stock Exchange and also these banks represents 64 percent of the total population. Ordered logit regression technique was used to examine the impact of CSR on non-financial performance of deposit money banks in Nigeria. The method used in this study was unique because the dependent variable had more than two response categories and the responses are ordered. While, balanced panel data analysis was used to analyse the secondary data related to the impact of CSR on financial performance of deposit money banks in Nigeria.

The model used established a relationship between CSR and non-financial performance of deposit money banks in Nigeria. Thus, our model is presented as follows:

$$CSD = f(PHRCR, EDRCSR, CDFCSR) \dots \dots \dots (1)$$

$$CSD = \beta_0 + \beta_1 PHRCR + \beta_2 EDRCSR + \beta_3 CDFCSR + \mu \dots \dots \dots (2)$$

Where:

β_0 = Constant

CSD = Customer Service Delivery

CSR = Corporate Social Responsibility

PHRCR = Philanthropy Related Corporate Social Responsibility,

EDRCSR = Educational Related Corporate Social Responsibility and

CDFCSR = Community Development focused Corporate Social Responsibility.

μ = Error term

The study went ahead to analyse the effects of corporate social responsibility on the financial performance of deposit money banks using dividend per share as a proxy for banks' performance. The use of DIV here is germane because it represents what each shareholder earns per every single share held in a firm. Thus, using dividend per share (DIV) as the dependent variable, the DIV is written as being determined by educational related corporate social responsibility, community development focused corporate social responsibility and philanthropy related corporate social responsibility in a functional form as:

$$DIV = f(PHRCR, EDRCSR, CDFCSR) \dots (3)$$

$$DIV_{it} = \beta_0 + \beta_1 PHRCR_{it} + \beta_2 EDRCSR_{it} + \beta_3 CDFCSR_{it} + \mu_{it} \dots (4)$$

Where:

β_0 = Constant

DIV = Dividend per Share

While others were earlier stated

4 RESULTS AND DISCUSSION OF FINDINGS

Table 4.1: Correlation Coefficients

Variables	EDRCSR	CDFCSR	PHRCSR	DIV	Variance inflation factor(VIF)
EDRCSR	1				1.64
CDFCSR	0.28	1			1.54
PHRCSR	0.2651	0.1557	1		1.78
DIV	0.132	-0.0308	0.0226	1	1.13

Source: Authors' computations, 2021.

The study examined the existence of multicollinearity among the variables used for the panel regressions. The existence of multicollinearity is a problem that invalidates the estimates of regression estimators. To assess this, a pair-wise correlation was conducted. This shows the nature of relationship between each pair of the variables used. The result of the correlation is presented in Table 4.1. It shows that CDFCSR and DIV have negative correlation coefficients (negative relationship) while all other variables are positively correlated. However, the correlation coefficient is less than 0.5 for all the variables.

Moreover, the Variance Inflation Factor (VIF) test was employed to also test the presence of multicollinearity. The rule of thumb is that, when the VIF value is greater than 5 there is the problem of multicollinearity otherwise there is no problem of multicollinearity. The result of the VIF shows that the values of the VIF, 1.64, 1.54, 1.78 and 1.13 for EDRCSR, CDFCSR, PHRCSR and DIV respectively are less than 5. Therefore, there is no problem of multicollinearity in the model. This implies that there is no strong interdependence among the variables. Hence, multicollinearity does not exist among them. Since there is no multicollinearity, the fixed effect and random effect regressions are employed without dropping any of the variables.

Table 4.2: Result of Ordered Logit Regression for CSD

Independent Variables	Dependent variable: Customer Service Delivery (CSD)	
	Coefficients of ordered logit (1)	Marginal effect (2)
CDFCSR	0.83 (1.34)	0.013 (0.014)
EDRCSR	6.48*** (1.41)	0.10 (0.096)
PHRCSR	-1.37*** (0.48)	-0.021 (0.019)
Constant cut1	9.54*** (2.22)	
Constant cut2	15.5*** (4.04)	
Constant cut3	22.3*** (6.24)	
Constant cut4	27.2*** (7.58)	
Observations	125	125
Log likelihood	154.41577	
Wald statistics	23.54	
P-value of Wald statistics	0.0000	

Source: Authors' computations using, 2021.

Standard errors in parentheses; Where ***, ** and * denotes 1%, 5% and 10% level of significance respectively

Ordered logit regression was used to investigate the effects of corporate social responsibility on customer service delivery of Nigerian deposit money banks (DMBs). The result is displayed in table 4.2 above. The estimates of the coefficient of the regression and the marginal effects are presented in column 1 and column 2 of the table respectively. The coefficients are used to examine the nature of relationship and significance of the independent variables while the marginal effect is used to evaluate the extent (magnitude or size) of impact of the independent variables on the dependent variable. The dependent variable is Customer Service Delivery (CSD) while community development related corporate social responsibility (CDFCSR), education related corporate social responsibility (EDRCSR) and philanthropy related corporate social responsibility (PHRCSR) are the independent variables. The result indicates that EDRCSR and CDFCSR are positively related to CSD. This implies that there is more likelihood that the probability of efficient CSD will increase with increase in EDRCSR and CDFCSR of the banks. On the other hand, there is an inverse relationship between PHRCSR and CSD. It means rise in PHRCSR will reduce the probability of high CSD of the banks in Nigeria.

However, the result indicates that EDRCSR and PHRCSR are statistically significant at 1% level of significance. This is because half of the values of the coefficients of these variables are greater than the standard errors of the coefficients. This means CSR has significant impact on CSD of Nigerian banks. The values of the marginal effect of the logit regression (in column 2) indicate that respondents strongly agree that the probability of having high

CSD increases by 0.10 with the increase in EDRCR while the probability of quality CSD fall by 0.021 with rise in PHRCR. So, CSR has huge impact on CSD of Nigerian DMBs. In the table all the constant cut values are statistically significant, therefore we cannot collapse any of the categories. This means all the response categories are relevant and thus cannot be collapsed. The Wald test statistics is 23.54 with P-value 0.0000 this means that the model has a good fit.

Table 4.3: Hausman Test

MODEL	Hausman test	P-value
FIXDIV	0.30	0.9593
RANDOMDIV		

Source: Authors' Computation, (2021)

Hausman Test

When both fixed and random effects models have good fit, Hausman test is used to compare and choose a better model between the two. The null hypothesis for the Hausman test is that a random effect model is better than the fixed effect model, or a random effect model is consistent. If the null hypothesis is rejected, use the fixed effect model; otherwise, go for the random effect model.

In the case of the Hausman test results presented in table 4.3 above, the chi-square statistics of the Hausman test for FIXDIV and RANDOMDIV is 0.30 with P-value 0.9593. Since the P-value is greater than 5% level of significance, the null hypothesis is not rejected and the result of the random effect model supersedes empirical inferences regarding the relationship and impact of the independent variables for DIV.

Table 4.4: Result of Fixed Effect and Random Effect Models for DIV

Independent Variables	Dependent variable: Dividend Per Share (DIV)	
	Fixed effect model (1)	Random effect model (2)
LogEDRCR	0.46** (0.21)	0.49** (0.20)
LogCDRCR	0.19 (0.24)	0.18 (0.23)
LogPHRCR	-1.01*** (0.34)	-0.97*** (0.33)
Constant	9.88 (7.37)	8.94 (6.85)
Observations	112	112

Source: Authors' computations using, 2021.

Standard errors in parentheses***, ** and * denotes 1%, 5% and 10% level of significance respectively

The model estimated in this study to evaluate the effect of corporate social responsibility dividend per share of deposit money banks in Nigeria is the one presented in table 4.4. The results of random effect model is presented in column 2. In the model, the dependent variable is Dividend Pay Share (DIV). The Educational Related Corporate Social Responsibility (EDRCSR), Community Development focused Corporate Social Responsibility (CDRCSR) and Philanthropy Related Corporate Social Responsibility (PHRCSR) still remain as independent variables. The independent variables were logged to harmonize the unit of measurements. This is because DIV is in ratios while all the independent variables are measured in millions of naira. The results of the random effect model illustrate that EDRCSR and CDRCSR are positively related to the DIV. That is, DIV of DMBs in Nigeria increases with increase in their corporate social responsibility on education and community development. PHRCSR is inversely related to DIV. So, rise in philanthropic corporate social responsibility tends to reduce the DIV of the deposit money banks.

Moreover, the coefficient of logEDRCSR and logPHRCSR are indicated to be statistically significant at 5% and 1% respectively in random effect model. This implies that, corporate social responsibility on education and philanthropy are significant determinants of DIV of the deposit money banks in Nigeria. In other words, corporate social responsibility has significant effect on dividend per share of deposit money banks in Nigeria.

Averagely, DIV increased by 0.0046 (0.46/100) and 0.0049 (0.49/100) units in the random effect model due to a percent increase in the expenditure on education related corporate social responsibility of DMBs in Nigeria. However, the results of random effect model indicate that 0.0097(0.97/100) and 0.0101 (1.101/100) units decreases in DIV result from a percent increase in PHRCSR. This implies a spectacular impact of corporate social responsibility on DIV of deposit money banks in Nigeria. The coefficients are divided by 100 and the interpretation is in percentage change to unit change because the independent variables are logged. Meanwhile, the results imply a spectacular impact of corporate social responsibility on DIV of DMBs in Nigeria.

Table 4.5: Fitness of the Models

MODEL	TEST	Goodness of fit	
		Fit-Statistics	P-value
FIXDIV		5.10	0.0044
RANDOMDIV		15.90	0.0012

Source: Authors' Computation, (2021)

Goodness of fit

In order to examine the goodness of fit of the panel regression models employed in this study, F- test was used for the fixed effect model. The results of the tests are presented in table 4.5. FIXDIV and RANDOMDIV represent the fixed and random effect models in which dividend per share is the dependent variable respectively. The fit- statistics for FIXDIV and RANDOMDIV are 5.10 and 15.90 with P-values 0.0044 and 0.0012 respectively. When the P-Value of the statistics is less than the conventional level of significance (1%, 5% and 10%), the model is said to have a good fit, otherwise the fit is bad. The fit statistics of all the models in table 4.5 have P-Values which are much less than 5% level of significance. So, all the models have good fit and their estimates are valid for empirical inferences.

4.2 Discussion of Findings

The results of this study revealed that there is a positive relationship between corporate social responsibility variables (such as education related corporate social responsibility, community development focused corporate social responsibility) and customer service delivery in Nigerian DMBs while philanthropy related corporate social responsibility have a negative relationship with performance of DMBs which is consistent with the study of Alozie and Ndu (2018). Therefore the null hypothesis which states that corporate social responsibility does not significantly affect banks' customers' service delivery in Nigeria should not be accepted.

Finally, the study revealed that corporate social responsibility (such as education related social responsibility and philanthropy corporate social responsibility) have significant impact on dividend per share of Nigerian deposit money banks which is consistent with the study of Adeyanju (2012). These findings conform to Utilitarian theory which is seen as the instrument of wealth creation, and its social activities are the only means to achieve economic results.

5 CONCLUSION AND RECOMMENDATIONS

The study reveals that corporate social responsibility impacts on customer service delivery of deposits money banks in Nigeria. Corporate social responsibility have significant impact on the dividend per share in Nigerian deposits money banks. Finally, the study concluded that CSR impacts on the performance of deposit money banks in Nigeria.

Based on the conclusion above, the study recommends that for deposit money banks to achieve enhanced and sustained customer service delivery, involvement in educational related corporate social responsibility should be maintained because educational related corporate social responsibility has been identified as determinant of customer service delivery. In terms of economic performance, the management of deposit money banks should intensify their involvement in community development focused corporate social responsibility so as to improve their profitability.

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Relationship between Business Education Students' Entrepreneurial Orientation and Self-leadership in Entrepreneurial Mindset Development: The Role of Proactive Personality

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Abstract

This research is aimed to investigate the mediation of proactive personality on the relationship between entrepreneurial orientation and self-leadership on entrepreneurial mindset development. The study adopts a survey research design. A maximum of 800 questionnaire was administered to the final year students of business education in the universities in the north-eastern Nigeria. PLS-SEM Algorithm, Bootstrap and Sobel test statistics were the tools and techniques employed for data analysis in this study. The tools were used to assess and evaluate the statistical significance of relevant path coefficients of the study variables. The results of this study disclosed that the extent to which students level of entrepreneurial orientation and self-leadership could positively support their entrepreneurial thinking for better entrepreneurial mindset development. The results also revealed that when proactive personality was included to mediate the relationship between the independent and dependent variables, the strength of the relationship decreased between entrepreneurial orientation, self-leadership and entrepreneurial mindset development. Therefore university teachers are encouraged to give emphasis on students' entrepreneurial orientation, self-leadership skills and proactive engagement that was found worthy of concern for students' entrepreneurial mindset development.

Keywords: Entrepreneurial orientation, self-leadership, proactive personality and entrepreneurial mindset development

Introduction

nowadays, entrepreneurship has become an essential and great promoter for strengthen the man's economy the world over. Effective entrepreneurship business could be achieved through a proper entrepreneurial mindset development (Gargouri & Naatus, 2019a). Entrepreneurial mindset development is a serious problem affecting many students in the Nigerian tertiary institutions, this problem demand for serious attention and concern the world over (Dewi, Nurfajar, & Dardiri, 2018). Individuals are dreaming to acquire

entrepreneurial knowledge and skills but many of them are lacking a proper entrepreneurial mindset development that could help them to create and secure a job for themselves after graduation. Entrepreneurial Mindset Development is a pedagogical approach that increases students' interest on entrepreneurial activities within the learning environment (Bosman & Fernhaber, 2019). Additionally Nadelson, et al. (2018) argued that level of individuals' proactive engagement or self-perception could embrace their entrepreneurial thinking which may be substantially influenced by their culture, society, ethnicity, and worldview.

Higher institutions of learning are required to play a significant role in molding entrepreneurial thinking of students that encourage entrepreneurial mindset development to overcome challenges attached to unemployment in their life time (Das & Jaiswal, 2018). Tertiary institutions of learning should not only prepare students to seek for jobs but should also prepare them in such a way that they can be able to create jobs. Consequently, entrepreneurial knowledge is vital for students of higher education because it encourage entrepreneurial mindset development among students and provides them with necessary skills for becoming entrepreneurs.

In Nigerian tertiary institutions are developing educational programs to foster entrepreneurial competences within creativity and innovation, these educational programs are growing in pace worldwide with the aim of developing students to have ways of thinking which they could apply entrepreneurially within and outside the organizations (Kim. & Strimel., 2018). Entrepreneurship is an area of study that was made compulsory for all students of the Nigerian tertiary education as a significant strategy for supporting the country's economic growth and development with the main aim of inducing a sound entrepreneurial mindset in the students.

More so, individuals with job seeking behaviour are engaged into entrepreneurial programs to generate intense mindset development, this will serve as a good starting point for the potential entrepreneurs to create, innovate and even compete with their fellow counterpart. Entrepreneurial mindset is one way that encourage and describe the thinking processes, attitudes, and behaviors surrounding the ability of an individual to create value for identified entrepreneurial activity (Li, Harichandran, Erdil, Carnasciali, & Nocito-Gobel, 2019). This thinking requires an action from the individual to solve some problems (Brunhaver, Bekki, Carberry, London, & McKenna, 2018; Pluskwik, Leung, & IRE, 2018). Therefore, teaching and encouraging students to develop entrepreneurial mindset should be student-centered and should have students working through problems with a focus on entrepreneurial development. Students' entrepreneurial mindset is directly related to their beliefs about their ability, which create a whole mental world for them to live in and their entire perception of attainable opportunities (Ruhara. & Kayitana., 2018).

Ruhara. and Kayitana. (2018), further reiterates that in developing entrepreneurial mindset individuals do not perceived that they could do something, they are less likely to try it, and to do it well, regardless of individual's capabilities. Students' ambition for entrepreneurial mindset development enables them to carefully think and act entrepreneurially because it underpins successful future strategies. In nature, the foundation of entrepreneurial mindset of individuals lies in cognitive adaptability which is important in achieving desirable outcomes following entrepreneurial actions.

Wale-Oshinowo., Raimi., Olarewaju., and Mbah. (2018), argued that students who are given organized entrepreneurial training programs in schools, exhibited a higher entrepreneurial

mindset development and are mostly inclined to initiate and venture into their personal businesses. This study however, examined the mediation role of proactive personality on the relationship between business education students' entrepreneurial orientation and self-leadership in entrepreneurial mindset development. Specifically, this study intended to:

- i. Assess the relationship between entrepreneurial orientation and entrepreneurial mindset development
- ii. Examine the relationship between self-leadership and entrepreneurial mindset development
- iii. Assess the mediation role of proactive personality on the relationship between entrepreneurial orientation and entrepreneurial mindset development
- iv. Examine the mediation role of proactive personality on the relationship between self-leadership and entrepreneurial mindset development

2.0 Literature Review

2.1 Entrepreneurial Orientation

Entrepreneurial orientation has received substantial interest in entrepreneurship research and a numbers of studies have examined the relationship between entrepreneurial orientation and entrepreneurial mindset development. Alarcon, Villaverde, Ortega, and Requena (2017) defined entrepreneurial orientation as a firm's strategic enlightenment that captures the methods, practices, and decision-making styles that managers use to act entrepreneurially.

For many years, entrepreneurial orientation has becoming a consolidated factor in individuals entrepreneurial mindset development (Alarcon et al., 2017). There are fundamental reasons why the researches on entrepreneurial orientation bridges an important gap in the entrepreneurial mindset literature; firstly, it has been observed that entrepreneurial orientation is an important construct for understanding why and how some individuals are able to update themselves regularly over time through new paths of mindset development. Secondly, entrepreneurial orientation exists as a continuous variable that represent one or more dimensions in which students should framed their entrepreneurial mindset development (Cao, Ansek, & Jansen, 2017). Alibhai et al. (2019) argued that individuals mindset development directly related to their entrepreneurial orientation, knowledge and beliefs about their ability which create a whole mental world for them to live in and their entire perception of global mindset development. Moreover, students with mindset oriented entrepreneurial things are gaining thrust of transforming the mindset of their fellow students as a condition to effect entrepreneurial behaviors and to achieve better economic results. Entrepreneurial orientation seeks to prepare individuals with knowledge attitudes and skills necessary for developing entrepreneurial mindset to become self-reliant and achieve the goals for themselves in order to live a successful life (Brunhaver et al., 2018).

Self-leadership

Bell, Sullivan, and Marvel (2019), defined self-leadership is a process that can help one to be self-directed and motivated to perform tasks that may be important for achieving pursuit goals and objectives. Thus, self-leadership involves a process where a person harnessed the skills of influencing his mind to reach targeted goals effectively, using a variety of different strategies (Bracht, Junker, & Dick, 2018). Accordingly, Bendell et al. (2019), states that individuals mindset development is directly related to their level of self-leadership, knowledge and beliefs about their ability which create a whole mental world for them to live in and their entire perception of global mindset development.

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2.0 Literature Review

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For many years, entrepreneurial orientation has becoming a consolidated factor in individuals entrepreneurial mindset development (Alarcon et al., 2017). There are fundamental reasons why the researches on entrepreneurial orientation bridges an important gap in the entrepreneurial mindset literature; firstly, it has been observed that entrepreneurial orientation is an important construct for understanding why and how some individuals are able to update themselves regularly over time through new paths of mindset development. Secondly, entrepreneurial orientation exists as a continuous variable that represent one or more dimensions in which students should framed their entrepreneurial mindset development (Cao, Simsek, & Jansen, 2017). Alibhai et al. (2019) argued that individuals mindset development is directly related to their entrepreneurial orientation, knowledge and beliefs about their ability which create a whole mental world for them to live in and their entire perception of global mindset development. Moreover, students with mindset oriented entrepreneurial trainings are gaining thrust of transforming the mindset of their fellow students as a precondition to effect entrepreneurial behaviors and to achieve better economic results. Entrepreneurial orientation seeks to prepare individuals with knowledge attitudes and skills necessary for developing entrepreneurial mindset to become self-reliant and achieve the goals set for themselves in order to live a successful life (Brunhaver et al., 2018).

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Overtime, a number of studies have examined self-leadership and entrepreneurial mindset development of students across the world and provided with overlapping empirical evidence (Flores, Jiang, & Manz, 2018). Thus, Gargouri and Naatus (2019b) describes two types of entrepreneurial mindset that could be develop through self-leadership, (i) fixed mindset and (ii) growth mindset. In the fixed mindset, individuals believe that their basic abilities are fixed traits while in the growth mindset individuals believe that their qualities can be developed through dedication decisions. They further emphasize that entrepreneur should likely have a growth mindset and a toughness that is necessary for entrepreneurial success.

Entrepreneurial Mindset Development however, is an area of study that is rapidly evolving (Bell, 2019). It has become a consolidated area of research within the entrepreneurship discipline. Despite many research in this area, there is a paucity of research to elaborate on the empirical evidence of entrepreneurship regarding self-leadership and entrepreneurial mindset development (Brunhaver et al., 2018). Knowledge of entrepreneurial mindset development are highly demanded by the students. Many higher institutions of learning are trying to develop skills of entrepreneurial mindset in students where a variety of approaches including self-leadership are being used towards this effort (Gupta., Mookherjee., Munshi., & Sanclemente., 2018). Moreover, Alibhai et al. (2019) assert that entrepreneurial mindset oriented training program that encourage and develops self-leadership behaviors mostly delivered essential and everlasting improvements for both potential and existing entrepreneurs.

2.3 Proactive Personality

Proactive personality is a personality trait that is producing strong inner motivation to act accordingly. However proactive personality is defined as characteristics of individuals for taking initiatives to achieved a desired goals (Akgunduz, Alkan, & Gök, 2018). It is a typical characteristics of individuals who are unrestricted by situational forces to initiate meaningful changes to their environment and display initiative for entrepreneurial activities (AlShamsi & Ahmad, 2019). The most significant characteristic of entrepreneur with proactive personality is taking all possible future consequences into consideration for developing entrepreneurial mindset development (Andri, Adawiyah, & Purnomo, 2019). More so, proactive entrepreneur is positively associated with high level of thinking, concerted effort and strategic behaviours in setting proper entrepreneurial mindset (Buil, Martinez, & Matute, 2019).

Individuals with proactive personality may exhibit positive behaviours such as entrepreneurial knowledge, skills, self-confidence, job commitment, career adaptability, and the ability to work independently (Büyükgöze, 2018; Caniels, Semeijn, & Renders, 2018; Fawehinmi & Yahya, 2018; Grigaitytė., Österman., & Björkqvist., 2019). Thus, proactive personality makes individuals to be more active to develop entrepreneurial mindset that could help in producing outputs that benefit their environment (Wijaya, 2018).

H₁1: There is a significant relationship between entrepreneurial orientation and entrepreneurial mindset development

H₁2: There is a significant relationship between self-leadership and entrepreneurial mindset development

H₁3: Proactive personality mediates the relationship between entrepreneurial orientation and entrepreneurial mindset development

H₁4: Proactive personality mediates the relationship between self-leadership and entrepreneurial mindset development

3.1 Methods

The study adopted a survey design, the design offers more reliable techniques for examining the information obtained about the sample of the study. It also helps the researcher to make generalization and draw meaningful conclusions about the findings of the research (Sekaran & Bougie., 2009). Samples was determined from the entire three thousand and sixty-five (3,065) final year business education students of the universities in the north-east Nigeria using a stratified random sampling technique. To this effect, the minimum sample size for this study as suggested by Krejcie and Morgan (1970) is three hundred and forty one (341). Data for the study were collected via the administration of the adapted 5-points Likert scale questionnaire to the targeted respondents of this study. Adaptation of research instrument become necessary because the population of this study varies from the original research population with which the statement of the questionnaire were used in respect to language, culture and country (Greener, 2008). Several statements were used in measuring the level of students' opinion regarding proactive engagement entrepreneurial orientation, self-leadership and entrepreneurial mindset development (Schwarzer & Jerusalem, 1995; Houghton & Neck, 2002; & Trifiletti, Capozza, Pasin, and Falvo, 2009).

A maximum of 800 copies of the study questionnaire was administered to final year students of business education in this study because Saunders, Lewis, and Thomhil (2019) added that minimum sample should not always be appropriate in determining sample size, the researcher has been offered a chance to increase the sample size with certain percentage that could suit and help the study. Hence, 528 copies of the questionnaire were finally retained for analysis. The data gathered from the respondents were analyzed using Structural Equation Model-Partial Least Square (Smart-PLS) to test and analyze the formulated research hypotheses.

4.1 Findings and Discussion

This study adopted the two recommended step of measurement model and structural model in assessing the path results of PLS-SEM (Hair, Ringle, & Sarstedt, 2013). The measurement model was examined through convergent and discriminant validity. The validity of a certain statistical measurement scale is convergent when values are > 0.7 , and/or > 0.5 for loadings, composite reliability, and average variance extracted (AVE), respectively (Barclay, Higgins, & Thompson, 1995). In this study, all questionnaire items that exceeded the recommended threshold values for loadings, average variance extracted and composite reliability were retained while those with lower values were removed. For discriminant validity, calculated square roots for the coefficient of AVE are displayed in table 1.2 below: To achieve good discriminant validity, however, the squared AVE value should be higher than correlation estimates (Hair., Hult., Ringle., & Sarstedt., 2014). Therefore, all the calculated AVE square roots for the variables under investigation are greater than the diagonal elements in the corresponding columns and rows. Hence, the discriminant validity was established. However, the structural equation model was assessed through the use of bootstrapping technique for testing the significance of all the path coefficients because in PLS analysis, bootstrapping is the only mechanism for examining the significance of path coefficients (Chin, 2010). Table 1 and 2 below displays the results of the convergent validity, discriminant validity and composite reliability of all the understudy variables.

Table 1 Convergent Validity and Composite Reliability

CONSTRUCTS	ITEMS	LOADINGS	AVE	CR
Entrepreneurial Orientation	AA	0.799641	0.673368	0.891676
	AB	0.844526		
	AC	0.860995		
	AD	0.774280		
Self-Leadership	BB	0.592027	0.597895	0.879976
	BC	0.832961		
	BD	0.839940		
	BE	0.798783		
Proactive Personality	BF	0.775629	0.561128	0.863814
	EE	0.858914		
	EF	0.782530		
	FA	0.832649		
Entrepreneurial Mindset Development	FB	0.791348	0.649047	0.917078
	FC	0.723910		
	FD	0.804519		
	FE	0.877633		
	FF	0.795741		
	FE	0.878667		
	FF	0.801767		

Source: Field Survey

Table 2 Discriminant Validity

Constructs	EO	SL	PP	EMD
EO	0.723			
SL	0.495	0.811		
PP	0.500	0.896	0.746	
EMD	0.573	0.731	0.722	0.835

Source: Field Survey

Note: EO= Entrepreneurial Orientation, SL= Self-leadership, PP= Proactive Personality and EMD= Entrepreneurial Mindset Development

Ha1: Proactive personality mediates the relationship between entrepreneurial orientation and entrepreneurial mindset development

The result of the PLS-SEM bootstrap for testing the mediation role of proactive personality on entrepreneurial orientation in entrepreneurial mindset development was displays in Table 3, Figure 1, Figure 2, and Figure 3 below, respectively. Furthermore, the result of the PLS-SEM bootstrap exposed that the path-coefficient value for the relationships between entrepreneurial orientation and entrepreneurial mindset development was $\beta=0.263$. However, the values of Beta, t-statistics and P values for the relationships between entrepreneurial orientation, proactive personality and entrepreneurial mindset development was $\beta=0.228$; $t=7.032$, $p=0.000$ ($p<0.05$). Therefore, all the values for such relationship exceeded 1.96 at 0.05 confidence levels using two tail tests. Moreover, the level of strength of the mediation indicated that when proactive personality was included ($\beta=0.228$, $p=0.000$), this shows that there was a positive mediation relationship between students' entrepreneurial orientation and

entrepreneurial mindset development. However, when proactive personality was not included into the analysis ($\beta=0.263$, $p=0.000$), the result was found that students' entrepreneurial orientation was significantly correlated with entrepreneurial mindset development. Therefore, the strength of the relationship between entrepreneurial orientation and entrepreneurial mindset development has been decreased after the inclusion of proactive personality, but the values of t-Statistics and Sobel Test Statistics remain significant ($t=7.032$; Sobel Test Statistics=2.454; $p=0.000$) which are all greater than 1.96. Therefore, statistically, this study disclosed that proactive personality partially mediates the relationship between entrepreneurial orientation and entrepreneurial mindset development of university students. Considering the above statistical findings, Hypothesis Ha1 was supported. Besides, the results connote that the extent of which students' proactiveness, effort and persistence towards entrepreneurial orientation would positively affect their level of entrepreneurial mindset development.

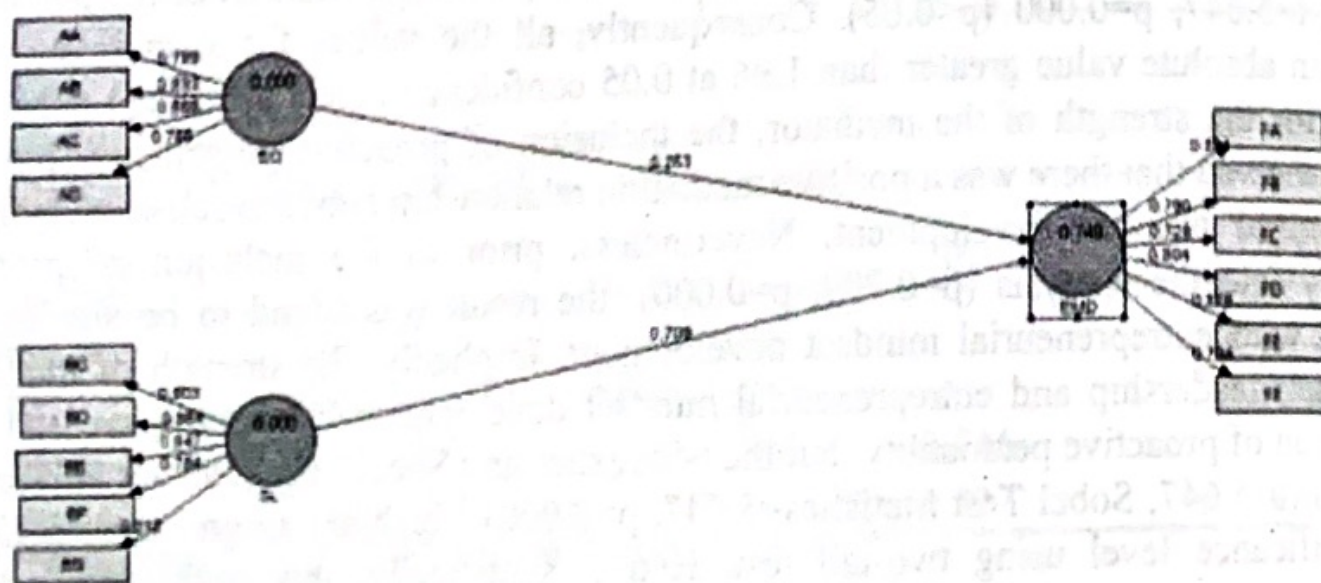
Ha2: Proactive personality mediates the relationship between self-leadership and entrepreneurial mindset development

The PLS-SEM bootstrapped result exposed that the path-coefficient value for the relationships between self-leadership and entrepreneurial mindset development was $\beta=0.709$, $p=0.000$. Nonetheless, the values of Beta, t-statistics, and P values for the relationships between self-leadership, proactive personality and entrepreneurial mindset development was $\beta=0.437$; $t=5.647$, $p=0.000$ ($p<0.05$). Consequently, all the values for such relationships contains an absolute value greater than 1.96 at 0.05 confidence levels using two tail test. In addition, for the strength of the mediator, the inclusion of proactive personality ($\beta=0.437$, $p=0.000$) showed that there was a positive mediation relationship between self-leadership and entrepreneurial mindset development. Nevertheless, prior to the inclusion of proactive personality into the analysis ($\beta=0.709$, $p=0.000$), the result was found to be significantly correlated with entrepreneurial mindset development. Impliedly, the strength of mediation between self-leadership and entrepreneurial mindset development has been decreased after the inclusion of proactive personality, but the t-Statistics and Sobel Test Statistics still remain significant ($t=5.647$; Sobel Test Statistics=5.647; $p=0.000$) which are all greater than 1.96 at 0.05 significance level using two-tail test. Hence, statistically, this study revealed that proactive personality positively mediates the relationship between self-leadership and entrepreneurial mindset development of university students. From the views of the above statistical points, Hypothesis Ha2 was supported. Supplement to that, the results exhibited that the extent of students' proactive engagement and commitment towards self-leadership skills would positively affect their entrepreneurial mindset development.

Table 3 Result of the Mediation of Proactive Personality on Entrepreneurial Orientation and Self-Leadership in Entrepreneurial Mindset Development

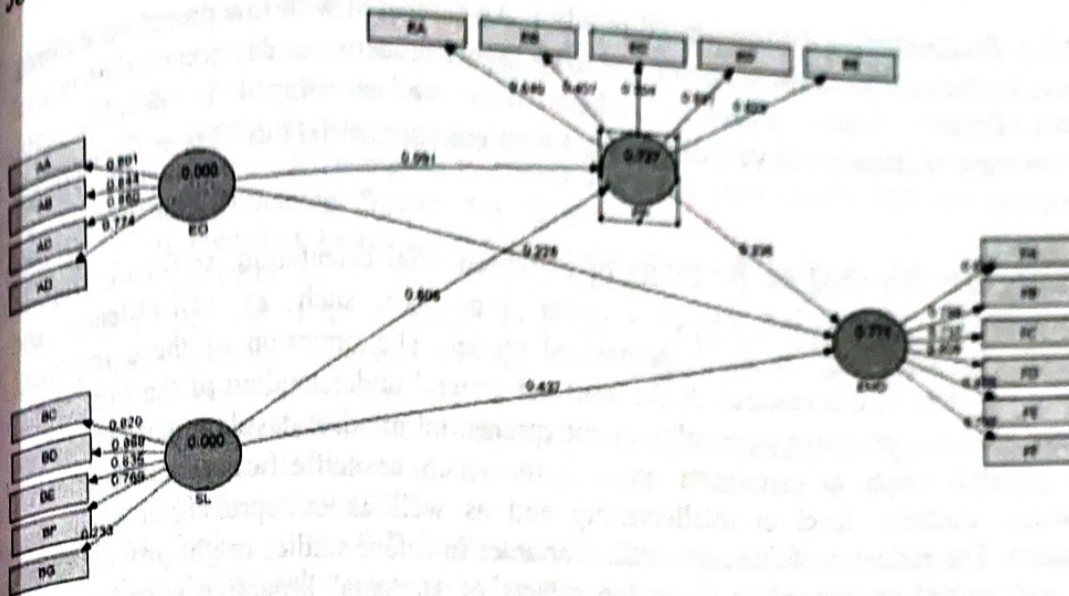
Paths	EO->PP->EMD	SL->PP->EMD
Direct without Mediation	0.263	0.709
Direct with Mediation	0.228	0.437
Independent Variable to Mediator (Path coefficient)	0.091	0.805
Mediator to Dependent Variable (Path coefficient)	0.335	0.335
Independent Variable to Mediator (Standard Error)	0.034	0.028
Mediator to Dependent Variable (Standard Error)	0.058	0.058
T-Statistics (T-value)	7.032	5.647
Sobel Test Statistics	2.454	5.647
Two tailed Probability (P-value)	0.000	0.000

Source: Field Survey

Figure 1 PLS-SEM Algorithm for the Direct Relationship of Entrepreneurial Orientation, Self-Leadership and Entrepreneurial Mindset Development

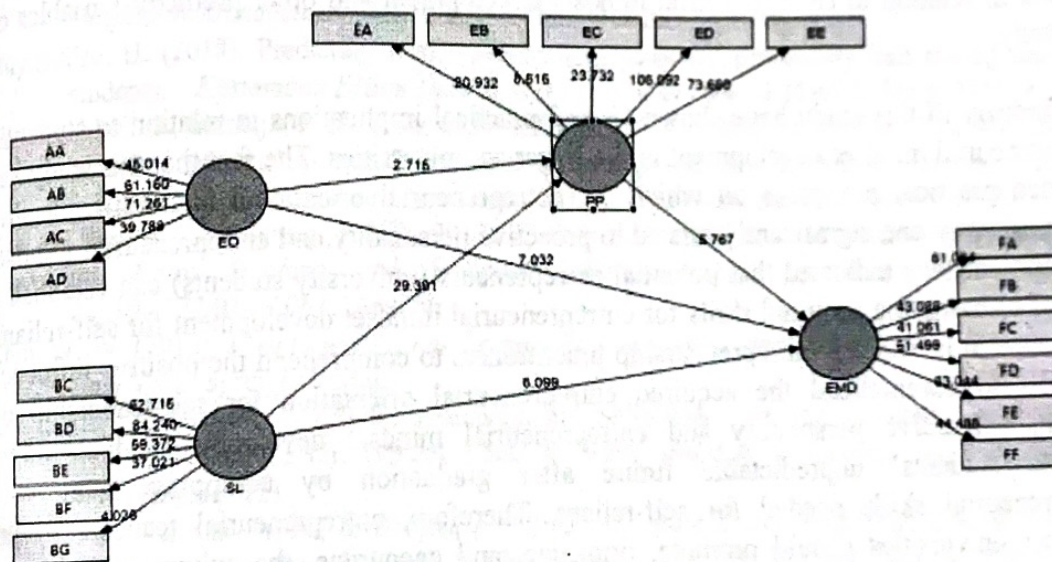
Source: Field Survey

Figure 2: PLS-SEM Algorithm for the Mediation of Proactive Personality on Entrepreneurial Orientation and Self-Leadership in Entrepreneurial Mindset Development



Source: Field Survey

Figure 3: PLS-SEM Bootstrap for the Mediation of Proactive Personality on Entrepreneurial Orientation and Self-Leadership in Entrepreneurial Mindset Development



Source: Field Survey

5.1 Conclusion Limitations and Direction for Future Research

This study implied that entrepreneurial orientation and self-leadership skills could enhance students' entrepreneurial mindset development, but these might not ultimately motivate business education students to be proactive in entrepreneurial mindset development. Hence, proactive personality is significant that entrepreneurial tutors would emphasize its relevance in utilizing the knowledge and skills learned for entrepreneurial mindset development. It can be concluded that students' entrepreneurial orientation and self-leadership skills through proactive engagement were the significant determinants of entrepreneurial mindset development among university students in Nigeria. Hence, it is imperative to give full attention to these factors in ensuring students' entrepreneurial mindset development.

This study has empirically contributed to the body of knowledge by assessing the students' entrepreneurial orientation and self-leadership abilities through their level of proactiveness for entrepreneurial mindset development. Highly proactive students have better and improved

capability for developing entrepreneurial mindset. As compared with low proactive students, students on their personal interest perceived to be highly proactive to develop entrepreneurial mindset. Perhaps, highly proactive students who are encouraged to develop good entrepreneurial mindset are more likely to view their entrepreneurial business as the means to earn a living.

This study only examined the predictors of entrepreneurial orientation, self-leadership, of entrepreneurial students but excluded other predictors such as self-efficacy and entrepreneurial knowledge in the hypothesized model. The omission of these important predictor variables in this research might limit our general understanding of the factors that influence students' proactive personality in entrepreneurial mindset development. Therefore, future research needs to investigate other factors such as self-efficacy, entrepreneurial knowledge, students' level of intellectuality and as well as entrepreneurial skills and motivation. The inclusion of these important variables in future studies might provide an in-depth and crucial understanding about the effects of students' proactive engagement in entrepreneurial mindset development. Furthermore, this study is limited as it only considered the effect of proactive personality as a mediating variable. Consequently, future studies should examine the possibility of using other important variables such as entrepreneurial interest, motivation to learn and entrepreneurial skills as either mediator or moderating variable in relation to entrepreneurial mindset development and other predictor variables of this study.

The findings of this study have shown several practical implications in relation to students' entrepreneurial mindset development in the Nigerian universities. The fact that this study has provided practical evidences on which the entrepreneurial orientation and self-leadership were positively and significantly related to proactive personality and entrepreneurial mindset development, this indicated that potential entrepreneurs (university students) can establish a style of utilizing the acquired skills for entrepreneurial mindset development for self-reliant. In essence, it is vital for entrepreneurship practitioners to comprehend the positive influence of skills to comprehend the acquired entrepreneurial orientation for self-leadership on students' proactive personality and entrepreneurial mindset development which might mitigate students' unpredictable future after graduation by equipping them with entrepreneurial skills needed for self-reliant. Therefore, entrepreneurial teachers in the Nigerian universities should promote, prioritize, and encourage, the culture of improved entrepreneurial orientation and self-leadership skills of students in their respective institutions.

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