

Effect of trust of business social responsibility on business performance of mall scale industries: Structural Equation Modeling approach

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Abstract

The objective of this paper is to provide links between Trust of Business Social Responsibility on business performance. Specifically the relationship between Trust of BSR on business performance of Small Scale Industries was examined in this study. This study comprised samples from 800 owners/managers of Small Scale Industries. A cross sectional design was employed to examine the influence of Trust of BSR on Business performance. Data were collected using self-administered questionnaire and analyzed using SPSS version 18 and AMOS graphics version 18. The result of this study shows that all variables achieved measurement model; Composite Reliability and Average Variance Extracted (AVE) are all above yardsticks of 0.7 and 0.5 respectively. The results of hypothesized relationships revealed that Trust of BSR was significantly related to Business performance. Finally, the model indices satisfied the adoption of using Structural Equation Modeling. The utilization of cross-sectional study served as one shortcoming and adoption of only Small Scale Industries owners/managers in Kano state Nigeria limits the generalizability of the findings. A significant implication of this research is the finding which gives light to owners/managers of Small Scale Industries to focus on Trust of BSR which in consequential lead to Business Performance. The findings are new and distinctive from previous research. The result of this research is based on a sample of Small Scale Industries owners/managers in Kano, Nigeria. The result is very imperative to academics and practitioners of Small Scale Industries worldwide.

Keywords: Trust, business performances, small scale industries and SEM.

INTRODUCTION

For many decades, profit maximization is measured as the sole task of firms in both business theory and practice (Benedik & Davor, 2010; David, 2012; Fiori, Donato & Izzo, 2007; Karen, Taylor, Hill & Yalcinkaya, 2011). Environment adjustment, disappearance of biological species and the worldwide economic crisis gave forward motion to the support of social responsibility by not only aiming at revenue making but by paying more attention to the social and environmental penalty of company operations as well (Benedik & Davor, 2010; Carroll & Shabana, 2010; David, 2012; Gorondutse & Hilman, 2013a). Modern conditions of conducting business required a concept shift from the neo-liberal reductionism profit orientation toward a holistic standpoint, sense of balance of economic, social and environmental degree of corporate responsibility (Benedik, & Davor, 2010; David, 2012; Fiori et al., 2007; Gorondutse & Hilman, 2013a).

The notion of Corporate Social Responsibility (CSR) also known as Corporate Principles, Corporate Nationality, Business Social Responsibility (BSR), Business Ethics, Social Performance, or Sustainable (David, 2012; Lee, 2008; Matten & Moon, 2008). These concept has been regarded as an ethical principles or view where by a unit be it an business or person has a responsibility to do something in order to help the community as a whole (Lee, 2008; Matten & Moon, 2008).

Business Social Responsibility (BSR) activities have received significant interests from scholars and practitioners. The development has resulted in a number of considerable findings, as well as the confidence to facilitate Business Social Responsibility's practices and actions to enhance a variety of stakeholder perceptions (Benedik & Davor, 2010; Carroll & Shabana, 2010; Sen & Bhattacharya, 2001). This indicated that lack of social responsibility has the ability to damage stakeholders associations (Argenti & Haley, 2006; Benedik & Davor, 2010; Vishnubhai, 2012). In the meantime, public perception towards on Business Social Responsibility (BSR) has increased, for instance, in recent assessment conducted by Boston College Centre and Reputation Institute among American consumer during January-February, 2010 revealed that American consumer view US firms found that they are concerned with social behavior compared to the years before.

Trust refers to the key sign of physically powerful administration in the direction of stakeholdes trade interaction (Buchan, Croson, & Dawes, 2002; Hansen, Dunford, Boss, Angermeier, & Alan, 2011; Hilman & Gorondutse, 2013a). Trust has been regarded as the anticipation that the trustee is agreeable to keep promise and accomplish obligation (Perrini, Castaldo, Misani&Tencati, 2010), its idea has gotten a significance in both management and marketing research or have proven important in digestive situations where the thrusters is vulnerable (Hilman & Gorondutse, 2013a; Perrini et al., 2010).

Even though trust has an immediate consequences on an organization social performance (Mohr & Puck, 2013; Pivato, Misani & Tencati, 2008; Tian, Wang, Yang, 2011), the absence of trust may prevent future investment or even lead to the withdrawal of an existing investment (Uslaner, 2010). Previous researches use trust of BSR in the respect of consumers (Hansen *et al.*, 2011; Tian *et al.*, 2011), while this study offers new contribution by using Trust of BSR in the perspective of organization.

Moreover, the most popular theories such as “stakeholder theory” and “legitimacy theory” have emphasized the significance of social responsibility of business, in a better way. The theories are based on the argument that: apart from pursuing the ultimate return of maximizing objectives, business need to be responsible for their activities in the society and thus, continual procedure and success of organizations activities are reliant on conformity of societal opportunity and attainment continue for sustained existence in the society (Carroll & Shabana, 2010).

BSR is a connotation to support and emphasize the associations between the firms and communities in which it operates. This directly identifies and explore the role of trust as essential assets in determining the linkages between the business and its stakeholders (Hilman & Gorondutse, 2013b). The practices of social responsibility is not new in Nigeria but unfortunately, is mainly adhere by multinational corporations (Abiodun, 2012; Adegbeti & Chizu, 2011; Amaeshi, Adi, Ogbechie, Amao, 2006; Hassan, 2007; Ojo, 2007; Opara, 2010; Okoro, 2012; Okoye, 2009). To date, there are little or no empirical evidences to what might happen within the local firms. This paper aims to close this paucity by focusing trust of BSR and Small Scale Industries performance in emerging nation. Data collected from Small Scale Industry operating in Nigeria.

Small Scale Industries sector contribute to total output or employment, it leads to enormous declining in creating skilled jobs, a prospective mechanism of modernization, and a sector with tendency of generating multiplier effects (Gorondutse & Hilman, 2013d; Tybouts, 2000). In addition the sector remains one of the significant vehicles in ensuring economic growth, and has become an avenue for developing countries to benefit from globalization (Mike, 2010). Research in this imperative sector in dwelling its action on responsible behavior is necessary so as to maintain its viable advantage. Despite the fact that business in developing nations have different system from those in USA and Europe. This information is very significant because organization need to recognized the important of business ethics and social responsibility dimension in their decision making process before they can apply then in business setting (Gorondutse & Hilman, 2013d; Hsu, 2012; Retab, Brik, & Mellahi, 2009).

Therefore, the main objectives of this paper are to provide a proposed framework that will link the Trust of BSR and firm’s performance, and will contribute in literature and facilitate the links outside Europe and the USA especially Nigeria as developing country and emerging nation (Hilman & Gorondutse, 2013b). The paper will start with discussion on the important concepts in business social responsibility and Trust of BSR is highlighted. Later, previous works related to the concepts are presented toward the development of a model that explains the relationships, to link these relationships stakeholder theory is used as a root. Third section discusses the methodology and hypothesis to be tested, next is the discussion and analysis of result, and finally, conclusion, recommendations and limitation for future study.

LITERATURE REVIEW

Business Social Responsibility (BSR)

BSR as detailed in the literature as the ethical obligations that make best use of the firm social environments encouraging manipulation and reduce the negative control as well (Carroll &

Shabana, 2010; Hilman & Gorondutse, 2013a). BSR is a concept which is getting more attention worldwide nowadays, Nonetheless it is commonly overlaps with similar approaches such as business ethics, corporate sustainability, corporate sustainable development, Stakeholder management, and corporate responsibility (Hilman & Gorondutse, 2013a; Lee, 2008; Matter & Moon, 2008). BSR has a broad variety of potential meaning: it can be considered as the way for the private sectors integrating the economic, social, and ecological imperatives of its activities (David, 2012; Hilman & Gorondutse, 2013a).

Trust of BSR

Trust refers to the key sign of physically powerful administration in the direction of stakeholder trade interaction (Buchan, Croson, & Dawes, 2002; Fang, Palmatier, Scheer & Li, 2008; Hansen, Dunford, Boss, Angermeier, & Alan, 2011). Trust has been regarded as the anticipation that the trustee is agreeable to keep promise and accomplish obligation (Perrini, Castaldo, Misani & Tencati, 2010), its idea has gotten a significance in both management and marketing research or have proven important in digestive situations where the thrusters is vulnerable (Perrini et al., 2010).

In addition, trust has also been regarded as the social bond that can hold diverse types of organizational structures together (Atkinson & Butcher, 2003; Hilman & Gorondutse, 2013b; Puusa, & Tolvanen, 2006; Tian et al., 2011). Trust is an important component and helpful to human associations to achieve the organizational goal. It provides togetherness and gives individuals emotion of safety. Puusa & Tolvanen (2006); Pivato et al. (2008). Puusa, & Tolvanen, (2006) Shamir & Lapidot (2003), suggested that trust can be an interpersonal and is a communal event.

Moreover, based on the previous research result trust of BSR level in an organization has a direct effect on their performances (Ellen et al., 2006; Hilman & Gorondutse, 2013b; Osterhus, 1997; & Perrini et al., 2010). Similarly, previous study use Trust of BSR on the customer perspectives (Hilman & Gorondutse, 2013b; Osterhus, 1997; Tian et al., 2011) what make different from others is that, this study will make a different contribution by using trust of BSR from organizational perspective

Business Performance

Over a period of time in the field of strategic management and organizational studies, business performance has been attracting many scholar attentions as one of the most imperative constructs (Combs, Crook, & Shook, 2005). To this reason, over the last few decades, practitioners and researchers conduct huge attention to explore the determinants of the organizational performance and what are the mechanisms that through which some variables can affect, positively or negatively, the organizational performance (Jing & Avery, 2008).

Despite the extensive research work related to the organizational performance, there is no universal definition of the construct (Ford & Schellenberg, 1982). Most researchers' views business performance as an indication of a company capacity to efficiently achieve independent goals and enhance their profitability (Venkatraman & Ramanujam, 1986).

Hanvanich, Sivakumar, Tomas, and Hult (2006). The improvement of organizational performance measure are patterned by integrating firm's comprehensive performance and creativity to evaluate the comprehensive organizational performance.

Furthermore, most of the researches used financial performance with accounting related to profitability has become the most common choices (52%) (Gorondutse & Hilman, (2013a); Richard et al. (2009). Carton and Hofer (2006) stated a similar result when they analyze the different journals in other time periods. More than a decade, numerous scholars have recommended that performances dimension must reflect on financial and non-financial measurement test (Gorondutse & Hilman, 2013a; Gronum et al., 2012; Kaplan & Norton, 1992; Hilman, 2009).

Most studies measuring performance make use of account based measure However, this study chooses both financial and non-financial measures. The financial measures, as debated by Kaplan and Norton (1996), is lack the strategic focus (Kaplan & Norton, 1996) in view of the fact that they portray the precedent performance and they might be ambiguous when it is used to forecast the prospect performance. Second, the financial performance measures might be too complex to acquire, particularly in emergent nations like Nigeria. Lastly, the financial measures can be easily manipulated and hence do not reflect the real performance.

Trust of BSR and Organization Performances Relations

Trust is an essential advantage in all business and non-business relationship. Therefore, the greater a level of trust in explaining many kinds of relationship whether (inter-personal, intra- and inter-organizational, social, business, etc.) the better the organizational performance (Hilman & Gorondutse, 2013b; Pivato, Misani, Tencati, 2008; Ring & Van de Ven 1992, 1994; Zaheer & Venkatraman, 1995; Das & Teng 1998, 2001; Zaheer et al., 1998). Trust is vital for thoughtful business interactions once the one who trusts is in a susceptible (high risk) situation. Trust writing gives an enormous assortment of variables (Castaldo, 2002).

Sirdeshmukh et al., (2002) on the other hand offer the initial statistical proof of the associations with respect to intangible customer-based resources (i.e., trust and loyalty) and a companies' tactical performance on the other. The linkages between the idea of trust and other customer-based relational resources, in exacting commitment, satisfaction, and loyalty, was also examined by Garbarino & Johnson (1999), who ascertain the centrality of these concepts for customer associations (Hilman & Gorondutse, 2013a). Based on the above, it is assumed that trust of BSR played a significant role in developing organizational success, and this could only achieved by fulfilling promise to the stakeholder. This study will provide new contribution by looking at the Trust of BSR from the perspective of Manager/owner i.e how the trust issues of social responsibility and relation to the business performance. This lead to the hypotheses below:

H1: Trust of BSR is significantly related to Business performance

UNDERPINNING THEORY OF STAKEHOLDER

Several interpretation of stakeholder theory has been projected, but the contract is that it can be useful to give details as well as to direct the arrangement and operations of the reputable organizations (Donalson & Preston, 1995). Jones (1995) argued that business concerned frequent dealings with stakeholders on the foundation of trust and cooperation has a motivation to be honest and ethical, since such behavior is advantageous to business (Jones, 1995). Hence, this study relationship between trust of BSR and performance is in line with stakeholder theory which believes in keeping stakeholder promises (Pivato et al., 2008), as well as continued connections with stakeholder should be based on trust and cooperation since such actions is beneficial to business (Jones, 1995).

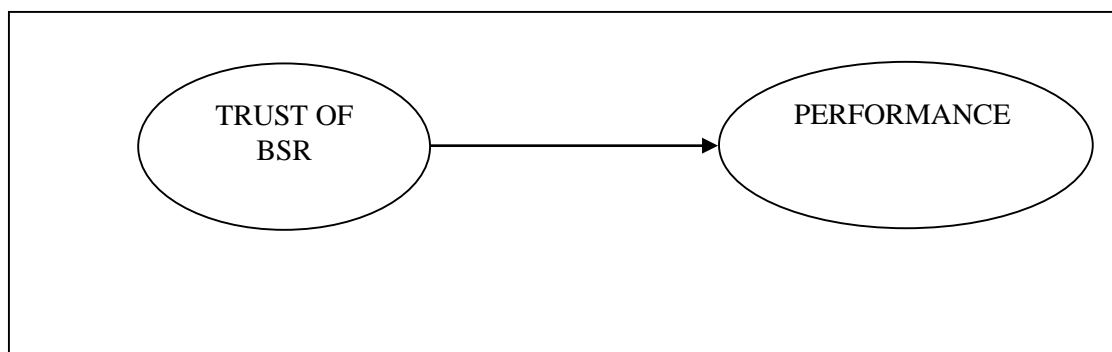


Figure 1 Research framework

METHODOLOGY

The research method makes use of cross-sectional study design and non-experimental using the quantitative method. The population during the study was 204 while the required samples sizes is 394 as stated by Yamane (1967) in the sample selection formulae. In order to reduce the sample sizes error and overcome the non-response problem, the sample size were doubled and rounded up to 800 (Hair, Wolfinbarger & Ortivian, 2008). In multivariate research, the sample size should be ten (10) times larger for the number of variables for the study. A purposive samples technique was used to draw a population samples through survey method using self-administration questionnaire method.

Furthermore, measurement of this study was adapted from the study conducted by (Stanaland et al., 2011; Tian et al., 2011; Kaplan & Norton, 1992 & Venkatraman & Ramanujam, 1986), with little contextual modification that fit the environment of study to measure the control on the independent construct (trust) and dependent construct (performance). The dimensions representing the organisational performance (dependent variable) are: (a) Return On Sales (ROS), (b) Return On Investment (ROI), (c) market share, (d) sales growth rate, (e) innovation and learning perspective, (f) customer perspective and (g) internal business perspective, which emphasizes both financial and non-financial measures.

Similarly, Trust of BSR items are (a) sincerely actions, (b) making effort, and (c) substantial contribution. This study uses 7-point scale, a scale with midpoint provide better optimal results in information processing and scale reliability, in addition, the 7-point scale is said to be efficient (Cavana et al., 2001 & Churchill & Peter, 1984). The data collected were analyzed using SPSS version 18 and SEM, this is because Structural equation modeling (SEM) has seen a dramatic rise in attention and utilization across a variety of scientific disciplines such as strategic management (Shook, Ketchen, Cychota, & Crockett, 2003), marketing (Chin, Peterson, & Brown, 2008) and psychology (MacCallum & Austin, 2000) over the last decade (Hair, Ringle, & Sarstedt, 2011b), covariance-based SEM (CB-SEM) is the more widely used approach in SEM, and many researchers simply refer to CB-SEM as SEM.

Common method bias

CMV is ascertained is ascertained when constructs are measured using cross sectional survey technique, in order to tackle with this issue the study applied Harman 1-factor test on 2 constructs' and the results reveals that no significant biases in the data. In addition, the correlation matrix (Table 5) does not signify any extremely correlated variables; common method bias frequently results in tremendously high correlations ($r, 0.90$) (Bagozzi, Yi, & Phillips, 1991). Consequently, we may assume that common method variance bias is not a problem, and the results corroborate the tenability of the proposed measurement model.

RESEARCH FINDINGS

Out of 800 questionnaires distributed, 514 were returned with 486 are usable and valid for analysis, considering the missing values and outliers with extreme values which yield the response rate of 64%. According to Tabbanik & Fidell (2007) a response rate considered sufficiently large for statistical reliability and generality. The data collection took almost 5 months after a series of follow up during the period; errors were checked by statistical analysis for all the constructs cases.

Demographic profile of respondents

The descriptive analysis reveals that 31.1% were General Manager, 29.8% were different categories of Managers, and 29.4% were Chief executive/Owner of business. The descriptive statistic shows that 35% of the respondents have been in the business for less than 5 years, followed by 32.5% within 5-10 years, 22.6% within 11-20 years, 7.4% within 21-40 years and finally 2.5% within 40 years and above. It can be clearly seen that most of the respondents, over 80%, are still within the range of target of this study (see Table1 for this and the subsequent descriptive statistic).

The descriptive statistic shows that the activities of business were more with Food and Beverages with 25.5%, followed by Poultry with 20%; then Textile Materials with 13.6%, Weaving & Dying with 10.7%, Furniture and Equipment with 10.5%, Others with 8.2%, Recycling with 7% and Tobacco Product with 4.5%. The initial analysis assesses the Total Assets of the respondents based on the activities they operate. It was revealed that close to the half of the respondents 1-100million (1million naira is equivalent to USD6250), precisely 43.8%, followed by less than

1million with 34.6%, followed by 101-200million with 10.7%, followed by 201-300million and 301-Above with 5.8% and 5.1%, respectively. 301- Above is the least among Total Assets of the business by the respondents. These perhaps indicated that the businesses are small in nature. Based on the above, it could be summarized that the respondents who participated in the research provided adequate variance regarding their backgrounds. Hence, the data used in the study were provided by respondents from diverse economic backgrounds (see Table 1, for more details).

Descriptive analysis

Table 4.2 reveals descriptive statistic for the trust of BSR and performance. The mean value of trust was relatively high than the mean value of performance which demonstrated to be 5.23. Hence, the result indicates the level of trust of BSR on performance of small scale industries.

Table 4.2 Descriptive analysis

Constructs	N	Mean	Standard deviation	Minimum	Maximum
Trust	486	5.60	0.61	2	7
Performance	486	5.23	0.69	1	7

Measurement Model

Anderson and Gerbing (1988) recommend that construct validity should be assessed to confirm the convergent validity and reliability. Similarly, Hair, Ringle and Sarsted, (2013) & Ringle, Wendy & Will, (2012) further suggested that discriminant need to be examined in order to satisfy the average variance extracted (AVE). Therefore, AVE for each construct should be greater than minimum cut bench mark of 0.5 (Fornel & Larcker, 1981; Hair et al., 2013). Thus, the independent construct (trust) has 3 items 1 item has been deleted due to lower loadings less than 0.5 (Hair et al., 2010; 2011). In addition, 4 items were equally deleted on performance due to also lower loading; hence, the convergent validity of the model reveals exceeded the minimum loadings (Hair et al., 2010; 2011). See table 4.3.

Table 4.3 Cross loading

Variable (Items)	IV (Trust)	DV (Performance)
TR02	0.769	
TR03	0.758	
OP05		0.475
OP06		0.931
OP07		0.776

Table 4.4 Reliability and validity of constructs

Variable	Indicator	Loading	Cronbach alpha	Composite reliability (CR)	AVE
Trust	TR02	0.758	0.734	0.737	0.583
	TR03	0.769			
Performance	OP05	0.475	0.751	0.785	0.565
	OP06	0.931			
	OP07	0.776			

Table 4.4 shows the results of the composite reliability and Cronbach alpha of the independent variable Trust of BSR as 0.737 and 0.734 respectively, similarly, dependent variable performance reveals composite reliability and Cronbach alpha as 0.785 and 0.751 respectively. Consequently, exceeded the yard stick of 0.7 (Hair et al., 2010; Nunally, 1978). Furthermore, Average Variance Extracted (AVE) stood for independent variable and dependent variable as 0.583 and 0.565 respectively. In addition, Table 4.5 indicated the correlation among the variable as less than the square roots of AVE extracted that signify the adequacy of the variable discriminate validity (Hair et al., 2010).

After the reliability analysis, this study established discriminant validity by calculating share variance between each pair of constructs and verify that it was lower than the average variance extracted from the individual construct (Bagozzi & Lynn, 1982; Fornell & Larcker, 1981). As shown in Table 3, the squared correlations for each construct are less than the square root of average variance extracted by the indicators measuring that construct indicating adequate discriminant validity. In general, the measurement model demonstrated adequate reliability, convergent validity, and discriminant validity.

Table 4.5 Discriminant validity

Variables	Trust (TR)	Performance (OP)
Trust (TR)	0.813	
Performance (OP)	0.468	0.844

Note: Diagonal (bold face) represents the square root of the average variance extracted while other entries represent the correlations.

Table 4.6 Hypothesis Testing

Hypotheses	Path coefficient	Standard error	T. value	P. value	Decision
Trust-> performance	0.664***	0.088	7.591	0.000	Supported

***: $p < 0.001$

Structural Model Testing

This model fit was evaluated using a series of indices recommended by Hu & Bentler, (1999) – the DELTA2 (Bollen, 1989), Comparative fit (CFI) (Bentler, 1990), good-of-fit index (GFI), Tucker-Lewis (TLI), and the root mean square error of approximation (RMSEA) indices. A fit to the data was achieved for the CFA, with GFI = 0.982, AGFI = 0.933, TLI = 0.940, CFI = 0.976, and RMSEA = 0.075 ($\chi^2 = 22.19$, d.f. = 4) see Table 4. 7 and figure 2. In addition, base on the above Model fit indices we can conclude that this study has satisfied adequate fit (Bentler, 1990; Bollen, 1989; Hooper, Coughlan & Mullen, 2008 & Hu & Bentler, 1999).

HYPOTHESIS MODEL

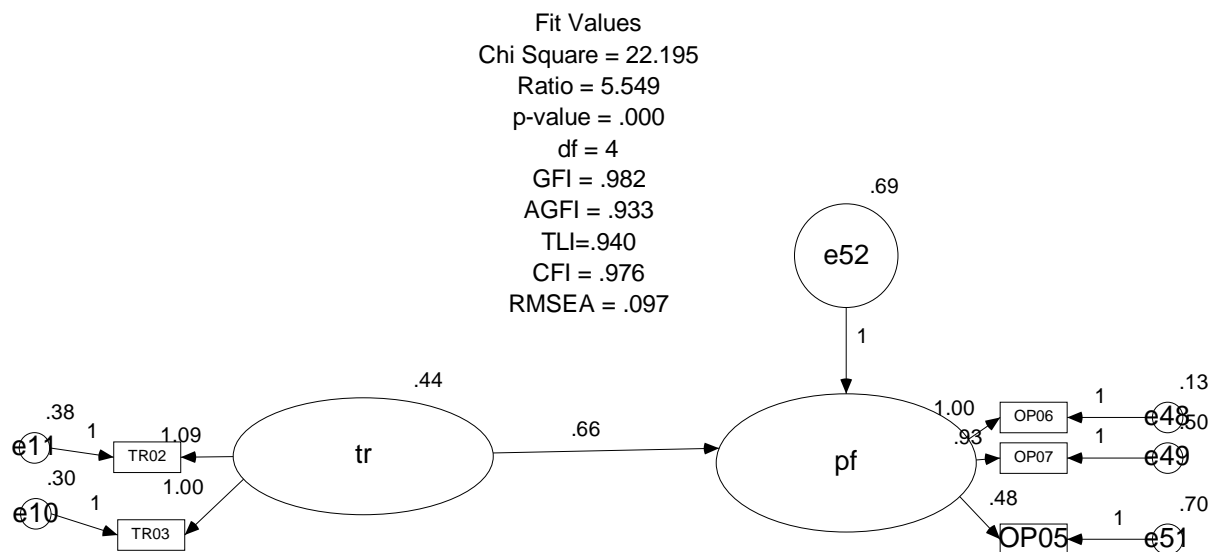


Figure 2 Hypothesis Model

This study examines the effects between Trust of BSR on organizational performance in Nigerian Small Scale industry. The interpretation of the hypotheses results is summarized in table 5 above. The result reveals that there is a significant relation between Trust of BSR and organizational performance ($\beta = 0.664$; $t = 7.591$; $p = 0.000$). This finding is in line with the study of Pivato et al., 2008; Zaheer et al., 1998, Tian et al., 2011). Hence, H1 is supported.

DISCUSSION, SUMMARY, AND RECOMMENDATION

The statistical significant result of the relationship between trust and business performance was found to be consistent with the study of (Hilman & Gorondutse, 2013b; Pivato et al., 2008; Tian et al., 2011). This study reported that Small Scale Industries were keeping promise in related of social behavior actions and hence improve their performances. Previous research has acknowledged the effect of trust on business performance (Sirdeshmukh et al., 2002). Therefore, trust is vital thoughtful business interaction once the one trust is in a susceptible (high risk) situation (Castaldo, 2002).

Managerial Implications

This study provides information to the potentials Small Scale Industries Owners/Managers regarding the understanding of trust of social responsibility and its effects on business performance. Furthermore, the policy maker and academics can make use of this study as a contribution to literature. The overall results of the present study confirm that understanding trust on social responsibility keeping promise will manifest in their performance of Small Scale Industries. In addition, managers have the opportunity to relate this finding and give emphasis in their strategic planning decisions which can influence the overall performances of the small scale industries in Nigerian context.

Theoretical Implication

The result of this study will add values to the existing literature on the relationship between trusts on business performance particularly on issues related to social behavior. Secondly, this study contributed in the field of knowledge by testing stakeholder theory outside the context of Europe and USA firms. This confirms the theory which postulate that business should continue connection with stakeholders based on trust and cooperation since such actions is beneficial to business (Donalson & Preston, 1995; Jones, 1995). In addition, the present study also combines various past measurement studies in measuring the effect of trust on business performance. This also could add values to the body of knowledge within the context of this research. This study hopes to have significant contribution to the management theory (e.g., Stakeholder theory).

Limitations of Study

This study is subject to some limitations. The use of cross sectional design for survey research is one of the constrain of this study. The study was not able to establish causal relationship on a longitudinal basis. The finding cannot be generalized in larger context across the cultures of other countries since the data collected during the study was limited to Kano state, Nigeria. In addition another variable may be added to better understanding on the relationships.

Conclusion

In this study, an attempt was made to examine the effect of trust of BSR on business performance the results has confirmed the significant of trust on business performances. Specifically, trust has proven to have a statistically significant effect on business performance, and trust account 14% of the variance in the business performance this result confirming the existing literature (see for instance Hilman & Gorondutse, 2013b; Pivato et al., 2008 & Zaheer et al., 1998).

Suggestion for Future Studies

In order to overcome the limitations of this study, future research should employed longitudinal approach of the study. In addition, the present study used quantitative techniques. For future study researchers are suggested to make use of qualitative or case study method for the design and analysis information.

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Appendix

Table 1 Summary of respondents demography

S/N	Items	Frequency	Percentage
1	Job Title:		
	Chief executive /owner	151	29.4
	General Manager	160	31.1
	Managers	153	29.8
	Others	50	9.7
2	Years of Existence:		
	Less than 5 years	180	35
	5-10years	167	32.5
	11-20years	116	22.6
	21-40years	38	7.4
	Above 40years	13	2.5
3.	Organization Location:		
	Headquarters	329	64
	Division	92	17.9
	Subsidiary	43	8.4
	Others	50	9.7
4	Ownership of the Organization:		
	Individual	247	48.1
	Partnership	168	32.7
	Joint ventures	62	12.1
	Others	37	7.2

5	Number of employees in your organization:	271	52.7
	Less than 20	91	17.7
	21-40	39	7.6
	41-60	66	12.8
	61-80	47	9.2
	Above 80		
6	Organization Activities:		
	Food and Beverages	131	25.5
	Tobacco Product	23	4.5
	Textiles Materials	70	13.6
	Weaving and Dyeing	55	10.7
	Furniture and Equipment	54	10.5
	Recycling	36	7
	Poultry	103	20
7	Others	42	8.2
	Total assets at the end of year:	178	34.6
	Less than 1 million naira	225	43.8
	1-100 million naira	55	10.7
	101-200 million naira	30	5.8
	201-300 million naira	26	5.1
	301 million-Above		

Table 2 Fit indices for the Measurement Model

Fit indexed	This study	Recommended values	Sources
Df			
χ^2	22.19		
Bollen-stine P	0.000		
χ^2/df	4	≤ 3.00	Bagozzi & Yi (1998); Byne (2001)
GFI	0.982	≥ 0.90	Chau & Hu (2001); Hair et al., (1998,2010)
AGFI	0.933	≥ 0.80	Chau & Hu (2001)
CFI	0.976	≥ 0.95	Bagozzi & Yi (1998); Hu & Bentler (1998)
RMSEA	0.097	≤ 0.06	Hu & Bentler (1998)
TLI	0.940	≥ 0.95	Hu & Bentler (1999)