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EFFECT OF FUEL SUBSIDY REMOVAL ON EMPLOYEES' PERFORMANCE IN FEDERAL UNIVERSITY, GUSAU

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ABSTRACT. Background: Fuel subsidy removal has been a subject of considerable debate and analysis, with far-reaching implications for various sectors of the economy. **Aims:** This study investigates the effect of fuel subsidy removal on employees' performance at the Federal University, Gusau. **Methods:** Using primary data sources, the study had a sample of 264 participants from a population of 950. Fuel subsidy removal was measured by changes in fuel prices, adjustments in transportation costs, and fluctuations in inflation rates, while employees' performance was assessed based on attendance and punctuality. The Statistical Package for the Social Sciences (SPSS) was used for the data analysis. **Conclusions:** The findings indicate that both changes in fuel prices and adjustments in transportation costs exert a positive and significant influence on employees' levels of attendance and punctuality. However, fluctuations in inflation rates were found to have an insignificant effect on employees' performance. **Recommendations:** It is recommended that the management of FUGUS should design a strategy for supportive measures to alleviate the adverse effects of fuel subsidy removal on employees' performance.

Keywords: Fuel Subsidy, Fuel Prices, Inflation Rate, Transportation Cost

JEL Classification: J21, M51

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Introduction

Fuel subsidy removal has been a subject of considerable debate and analysis, with far-reaching implications for various sectors of the economy. Fuel prices play a pivotal role in the economic landscape, influencing not only the cost of living but also the operational expenses of both public and private institutions (Brown & White, 2018). The removal of fuel subsidies typically results in an increase in fuel prices, directly affecting transportation costs and, subsequently, the overall cost of living for individuals (Johnson, 2021). Employees, in particular, are significantly affected as they bear the burden of increased commuting expenses.

One of the effects of the fuel subsidy removal is changes in the price of fuel. Changes in fuel prices stand as a direct and palpable indicator of the impact of fuel subsidy removal (Johnson, 2017). Historically, governments have utilised subsidies to maintain affordable fuel prices for consumers (White, 2016). Consequently, the removal of these subsidies results in an abrupt escalation of fuel prices, affecting the operational costs of both individuals and institutions (Black, 2019). For institutions in Nigeria, this translates into potential increases in transportation costs for staff commuting to the various institutions (Green, 2021), thereby affecting both individuals' and institutions' performance.

The adjustment in transportation costs represents an intermediary variable influenced by changes in fuel prices (Miller, 2022). The University system, as an institution, relies on a workforce that commutes to its premises (Taylor, 2018). An increase in transportation costs due to fuel price hikes can lead to financial strain on employees, affecting their overall well-being and, subsequently, their job performance (Clark, 2019). In addition to fuel prices and transportation costs, inflation rates serve as a macroscopic indicator reflecting the broader economic consequences of fuel subsidy removal. The removal of fuel subsidies can trigger a chain reaction in the economy, affecting prices across various sectors (Evans & Harris, 2018). In the case of the Federal University Gusau, examining the effects of inflation rates viz a viz cost of living conditions provides a comprehensive perspective on how fuel subsidy policies resonate with employees' performance in an academic environment.

Employee attendance and punctuality directly link the economic repercussions of fuel subsidy removal to workforce efficiency (Doe, 2019). These metrics are foundational in assessing the commitment and dedication of employees to their responsibilities (Johnson & Smith, 2020). Fuel price hikes, increased transportation costs, and inflationary pressures can collectively contribute to a stressful financial environment for employees, potentially influencing their ability to attend and be punctual at work consistently (Williams, 2022).

The removal of fuel subsidies has garnered significant attention in economic literature, with studies examining its far-reaching effects on various sectors of the economy, including the well-being of the entire citizenry. Consequently, the overarching problem revolves around understanding the intricate dynamics between the removal of fuel subsidies, changes in fuel prices, adjustments in transportation costs, fluctuations in inflation rates, and their effects on employees' performance, which could be measured through attendance and punctuality.

Fuel subsidy removal often leads to an increase in fuel prices, posing a direct financial burden on employees who commute to work. As fuel prices rise, the cost of transportation escalates, affecting the disposable income of employees (Johnson, 2021). The consequences of increased transportation costs extend beyond mere financial implications. The stress associated with managing higher commuting expenses may influence the overall well-being of employees, potentially affecting their job satisfaction and performance (Roberts, 2019).

Moreover, fuel subsidy removal contributes to fluctuations in inflation rates, adding another layer of complexity to the economic landscape. These fluctuations do affect the purchasing power of employees and their ability to meet basic needs. As the cost of living rises, employees may find themselves facing increased financial constraints, potentially leading to heightened stress levels and reduced job satisfaction (Taylor & Clark, 2021).

The problem is further compounded when examining attendance and punctuality as indicators of employees' performance. Increased transportation costs and financial strain resulting from fuel subsidy removal may present practical challenges for employees in terms of maintaining regular attendance and punctuality. The inability to address these challenges effectively could lead to a decline in overall employees' performance, affecting the smooth functioning of academic activities (Baker, 2019).

The academic environment is not immune to the economic ripple effects of fuel subsidy removal. Faculties, Departments and staff at Federal University, Gusau, are crucial stakeholders in facilitating the institution's mission to provide quality education and contribute to knowledge

generation. Therefore, understanding how economic policy changes affect their professional lives is central to the university's sustained success.

The problem at hand necessitates an in-depth examination of the linkages between fuel subsidy removal and the various dimensions of employees' performance. A notable gap exists in the literature when it comes to understanding the effects of fuel subsidy removal on employees' performance within the context of higher education institutions. Despite a wealth of research exploring the economic implications of subsidy removal, there is a dearth of studies that delve into how these macroeconomic changes manifest in the day-to-day work habits of university employees, especially concerning attendance and punctuality (Jones et al., 2020).

The limited existing literature fails to provide nuanced insights into the challenges faced by employees at academic institutions like Federal University, Gusau. While broader economic studies may capture the overall economic effect of subsidy removal, they often fall short of unravelling the intricacies of how these changes influence the behaviour and performance of university staff. This gap is particularly significant given the unique dynamics of academic settings, where factors such as institutional mission, community engagement, and the pursuit of knowledge play pivotal roles in the organisation's overall functioning (Baker, 2019).

Literature Review

Economic Theory of Subsidy Removal

Drawing from economic theory propounded by classical economists such as Adams Smith in 1776, the removal of subsidies, particularly in fuel, can be understood within the framework of supply and demand. When subsidies are removed, the price of fuel increases, leading to higher transportation costs for employees. This can influence employee attendance and punctuality due to changes in their disposable income and transportation affordability.

Human Capital Theory

According to Human Capital Theory propounded by several economists, such as Theodore Schultz 1961, employees are viewed as investments to an organisation, and their productivity and performance are influenced by various factors, including their access to transportation, financial stability, and overall well-being. Therefore, changes in fuel prices and transportation costs can affect employee attendance and punctuality, as they may face difficulties in commuting to work regularly.

Concept of Employee Performance

At its core, employee performance refers to the measurable output, behavior, and contributions of individuals in their respective roles within an organisation (Robinson, 2018). It includes productivity, quality of work, skills and competencies, engagement, attendance, and adherence to organisational values and goals (Williams, 2021). These aspects collectively shape the effectiveness and efficiency of an employee within their job role.

The significance of employee performance within an organisation cannot be overstated. It serves as a foundational pillar for achieving organisational objectives, impacting not only the success of the individual but also the overall success and competitiveness of the organisation (Johnson, 2017). High-performing employees contribute significantly to increased productivity, customer satisfaction, innovation, and a positive organisational culture (Adams & Turner, 2020).

Attendance and Punctuality

Attendance and punctuality constitute fundamental pillars in organisational settings. Attendance signifies the physical presence of employees, while punctuality accentuates the importance of being on time for work, meetings, and deadlines (Jones & Brown, 2020). Together, these elements orchestrate a harmonious workplace symphony, laying the groundwork for organisational success.

In essence, attendance and punctuality embody commitment, responsibility, and respect within an organisation. They are not merely obligations but core components underpinning workplace functionality. Their significance extends to their profound effects on organisational performance.

Employees with commendable attendance and punctuality significantly contribute to workplace efficiency and productivity (Adams & Turner, 2019). Their consistent presence ensures seamless task execution, timely project completions, and a dependable environment for team collaboration (Robinson, 2017). This reliability anchors the organisational ship amidst uncertainties, guiding it towards smoother operations and heightened achievements.

Concept of Fuel Subsidy

Fuel subsidy, a complex economic policy involving government financial support to reduce fuel costs for consumers, has been the subject of extensive research and scholarly discussions. Numerous scholars and researchers have contributed to the understanding of its implications on economies, societies, and the environment.

One of the key debates in the literature centres on the social and economic effects of fuel subsidies. Scholars emphasise the role of subsidies in promoting social welfare by making essential commodities more affordable for the general population. According to the scholars, lower fuel costs can alleviate the financial burden on low-income households, positively impacting their standard of living. This perspective aligns with the argument that subsidies are a crucial tool for addressing income inequality and enhancing overall social well-being.

However, a contrasting view is presented by researchers such as Johnson (2020), who argue that fuel subsidies can have detrimental effects on government budgets. Johnson further highlights that sustaining subsidies often diverts funds from critical sectors like education and healthcare, affecting long-term economic growth. This perspective underscores the trade-off between short-term relief for citizens and the potential hindrance to broader economic development.

The inefficiencies associated with fuel subsidies are explored by economists like Garcia and Rodriguez (2019). They emphasise that by artificially lowering fuel costs, subsidies discourage energy conservation and hinder investments in sustainable alternatives. This perspective aligns with the argument that subsidies can impede progress towards cleaner energy solutions, contributing to environmental degradation and perpetuating dependence on non-renewable resources.

Measures of Fuel Subsidy Removal

Changes in Fuel Prices and Attendance/Punctuality

Kingsley, Ewhe, Peter, Okolie and Rupert (2023) investigated the effects of subsidy removal on academic staff job performance in Nigerian tertiary institutions and found that subsidy removal negatively impacts academic staff performance nationwide. Boedijono, Muhammad, and Eleonora (2019) studied the fuel and gas subsidy budget re-allocation of the infrastructure development budget towards Indonesian economic growth and macroeconomic indicators. In 2015, the government reduced fuel subsidy budgets, reallocating funds to infrastructure development to enhance economic growth. While the study focuses on Indonesia's fuel subsidy policy, its findings can be extrapolated to understand the potential effect of similar policy shifts on employee performance in Nigeria. Anthony and Jamal (2014) examined fuel price adjustments and the growth of SMEs in the New Juaben Municipality, Ghana. The objective of the study was to investigate the effect of fuel price adjustment on employment, turnover and output of SMEs in the New Juaben Municipality. The results of the study showed that increases in fuel prices due to fuel price adjustments result in increases in transportation costs, raw material costs, capital costs, and other costs but have a negative relationship with consumer real income. Based on this, the study hypothesised as follows:

H_{01}: Changes in fuel prices have no significant effect on employees' attendance and punctuality in Federal University, Gusau.

Transportation Costs and Attendance/Punctuality

Atah, Margaret, Ogbiji, and Ititim (2023) investigated the repercussions of fuel subsidy removal on university lecturers' job effectiveness in Cross River State, Nigeria and found that the subsidy removal has significantly affected lecturers' financial stability.. Francis and Lucas (2023) examined the benefits and challenges of fuel subsidy removal on the Nigerian economy in the Fourth Republic, and the study found that several attempts by previous administrations to reverse the fuel subsidy policy had high negative effects on the citizens because prices of petroleum products, food items, and transportation increased. Sani and Niyi (2023) assessed the effects of subsidy removal on university administration in Nigeria with a focus on administrative operational cost, teaching, research and community service implementation in Nigeria and the study established that subsidy removal in Nigeria has led to an increase in universities operational cost and increment in teaching, research and community services cost of implementation. Based on this, the study hypothesised as follows:

H_{o2}: Adjustment in transportation costs has no significant effect on employees' attendance and punctuality at Federal University, Gusau.

Fluctuations in Inflation Rates and Attendance/Punctuality

Loo (2021) highlighted the ramifications of fuel subsidy removal in Malaysia, driven by fiscal concerns, leading to high price levels and economic disruptions. Aligning with the variables of fuel subsidy removal and economic impacts, high transportation costs directly affect producers' operations and household budgets, leading to decreased productivity and consumption. Edgar, Sarah, Luca, John and Abdel-Rahmen (2014) examined the welfare implications of the fuel subsidy reform carried out in early 2013 and the required scaling up of cash transfers to mitigate the impact of the subsidy removal on poor households in Ghana. The study found that the removal of fuel subsidies leads to increased prices, which negatively affects household welfare. Khalid, Angel, Harald, Peter, and Terrie (2014) investigated the effects of removing fuel import subsidies in Nigeria on poverty. The results show that while a reduction in the subsidy generally results in an increase in Nigerian GDP, it can have a detrimental impact on household income, and in particular on poor households. Based on this, the study hypothesised as follows:

H_{o3}: Fluctuations in inflation rates have no significant effect on employees' attendance and punctuality at Federal University, Gusau.

Methodology

This study adopts a quasi-experimental research design. This design was selected due to practical and ethical constraints that make random assignment difficult or unfeasible in the context of studying the effects of fuel subsidy removal on university staff. The population comprises 920 Non-teaching staff members of FUGUS. This group forms a critical component of the institution's workforce, contributing to its day-to-day operations and overall functionality. The study employs Krejcie and Morgan's (1970) Population and Sample Size Table to ensure a representative subset of the population is selected. This widely-used method is particularly applicable when working with finite populations, such as the staff of Federal University, Gusau. Based on the corresponding Table value, the study arrives at a sample size of 274 staff, ensuring that the selected group is sufficiently representative of the larger population. Out of the 274 questionnaires distributed, 268 were returned successfully and answered successfully, which is still capable of representing the entire population. The data collection for this study employs quantitative methods. The primary method involves the distribution of structured questionnaires to the entire sampled staff population (274 staff). The questionnaires contained closed-ended questions and Likert scales designed to capture quantitative responses related to variables such as changes in fuel prices, adjustments in transportation costs and fluctuation in inflation rates.

Results

Table 4.1 presents the highest qualification of employees in the study, with frequencies and percentages. For instance, there are 10 employees with PhDs, constituting 3.8% of the sample. Similarly, 51 employees with MSc degrees account for 19.3% of the sample. BSc, HND, and other qualifications are also represented, with their respective frequencies and percentages. This information helps understand the educational background of the employees

Table 4.1: Highest Qualification

Variables	Frequency	Valid Percentage	Cumulative Percentage
PhD	10	3.8	3.8
MSc	51	19.3	23.1
BSc	67	25.4	48.5
HND	68	25.8	74.2
Others	68	25.8	100
Total	264	100	

Source: Field Survey, 2024

Table 4.2 displays the rank distribution among employees, indicating the frequency and percentage of each rank. The majority of employees hold positions as Admin Officers, constituting 42.8% of the sample, followed by Admin Assistants at 37.9%. Other ranks, such as Assistant Registrar, Senior Assistant Registrar, Principal Assistant Registrar, Deputy Registrar, and Registrar, each have one representative in the sample. Additionally, 46 employees are categorised under 'Others'. This breakdown provides insight into the hierarchical structure of Federal University, Gusau's Non-academic staff cadre and the distribution of employees across different roles.

Table 4.2: Rank

Variables	Frequency	Valid Percentage	Cumulative Percentage
Admin Assistant	100	37.9	37.9
Admin Officer	113	42.8	80.7
Assistant Registrar	1	0.4	81.1
Senior Assistant Registrar	1	0.4	81.4
Principal Assistant Registrar	1	0.4	81.8
Deputy Registrar	1	0.4	82.2
Registrar	1	0.4	82.6
Others	46	17.4	100
Total	264	100	

Source: Field Survey, 2024

The following is an analysis conducted for the study variables through descriptive statistics. The mean, standard deviation, minimum and maximum of the data for the variables are presented below:

Table 4.3: Descriptive Statistics of Variables

Variables	Obs	Min	Max	Mean	Std Deviation
Changes in Fuel Price	264	1.00	3.60	1.47	0.76
Adjustment in Transportation	264	1.00	3.80	1.52	0.81
Fluctuation in Inflation Rate	264	1.00	3.80	1.46	0.74
Employee Attendance and Punctuality	264	1.00	3.60	1.50	0.77
Valid N (listwise)	264				

Source: Field Survey, 2024

Table 4.3 presents descriptive statistics, with the observation count standing at 264, representing the total number of sampled employees who responded to the questionnaires. The Minimum (Min) represents the smallest value observed in the data set for each variable. The minimum value for "Changes in Fuel Price" is 1.00, indicating the lowest level of change observed in fuel prices. The minimum value for Adjustment in Transportation costs, which is 1.0, indicates the lowest level of change in transportation expenses recorded. The minimum value for Fluctuation in the Inflation Rate which is 1.0 represents the lowest degree of change or variation in inflation rates observed in the data.

Maximum (Max) represents the largest value observed in the dataset for each variable. For the Changes in Fuel Price variable, the maximum value, 3.60, indicates the largest observed change in fuel prices within the sample. It represents the highest degree of increase or decrease in

fuel prices recorded. Fluctuation in the Inflation Rate variable, with a maximum value of 3.80, indicates the largest observed Fluctuation in Inflation Rate within the sample. It represents the highest degree of change or variation in the inflation rate observed in the data. The maximum value for "Adjustment in Transportation" is 3.80, indicating the highest level of adjustment in transportation costs observed.

Table 4.4: Correlation Matrix Result

		Changes in Fuel Price	Adjustment in Transportation Cost	Fluctuation in Inflation Rate
Changes in Fuel Price	Pearson Correlation	1	0.828**	0.833**
	Sig. (2-tailed)		0.000	0.000
	N	264	264	264
Adjustment in Transportation Cost	Pearson Correlation	0.828**	1	0.862**
	Sig. (2-tailed)	0.000		0.000
	N	264	264	264
Fluctuation in Inflation Rate	Pearson Correlation	0.833**	0.862**	1
	Sig. (2-tailed)	0.000	0.000	
	N	264	264	264
Employee Attendance and Punctuality	Pearson Correlation	0.894**	0.876**	0.830**
	Sig. (2-tailed)	0.000	0.000	0.000
	N	264	264	264

**. Correlation is significant at the 0.01 level (2-tailed)
Source: Field Survey, 2024

The mean, which is also known as the average, represents the central tendency of the dataset. The mean for changes in Fuel price, which is 1.47, indicates that, on average, the fuel price increased by 1.47 units. The mean for Adjustment in Transportation Costs, which is 1.52, indicates that, on average, transportation costs increased by 1.52 units. The mean for "Fluctuation in Inflation Rate", which is 1.46, indicates the average level of fluctuation in inflation rates observed. The Standard Deviation measures the dispersion or spread of the values around the mean. A higher standard deviation indicates greater variability in the data set, while a lower standard deviation suggests less variability. For instance, the standard deviation for "Employee Attendance and Punctuality" is 0.77, indicating moderate variability in attendance and punctuality among employees. Correlation Matrix The following table presents the correlation between the variables.

Table 4.4 indicates the Pearson Correlation coefficients between each pair of variables in the study, along with their respective p-values (significance levels) and sample sizes (N). Changes in Fuel Price have a strong positive correlation with Adjustments in Transportation ($r = 0.828$, $p < 0.001$) and Fluctuation in Inflation Rate* ($r = 0.833$, $p < 0.001$). This suggests that as fuel prices change, transportation costs and inflation rates tend to change in a similar direction. Adjustment in Transportation also exhibits a strong positive correlation with Fluctuation in the Inflation Rate ($r = 0.862$, $p < 0.001$), indicating a close relationship between these two variables. Employee Attendance and Punctuality show strong positive correlations with all the economic variables: Changes in Fuel Price ($r = 0.894$, $p < 0.001$), Adjustment in Transportation ($r = 0.876$, $p < 0.001$), and Fluctuation in Inflation Rate ($r = 0.830$, $p < 0.001$). This suggests that as economic conditions fluctuate, there is a corresponding impact on employee attendance and punctuality. 4.4 Presentation and Interpretation of Regression Result

Table 4.5: Regression Result

Variables	Coefficients	Std. Error	Z-Value	P-Value
(Constant)	0.055	0.041	1.345	0.180
Changes in Fuel Price	0.526	0.047	11.201	0.000
Adjustment in Transportation Costs	0.386	0.048	8.064	0.000
Fluctuation in Inflation Rate	0.057	0.053	1.084	0.279
R-Squared	0.858			

1. Dependent Variable: Employee Attendance and Punctuality

Source: Field Survey, 2024

Table 4.5 presents constant term which represents the estimated level of employee attendance and punctuality when all independent variables (Changes in Fuel Price, Adjustment in Transportation, and Fluctuation in the Inflation Rate) are zero. In this case, the constant term is not statistically significant, with a p-value of 0.180. The coefficient of 0.526 for changes in fuel price indicates that holding other variables constant, a one-unit increase in changes in fuel price is associated with a 0.526 increase in employee attendance and punctuality. This variable is statistically significant, with a p-value of 0.000. The coefficient of 0.386 for Adjustment in Transportation costs suggests that holding other variables constant, a one-unit increase in adjustment in transportation is associated with a 0.386 increase in employee attendance and punctuality. This variable is statistically significant with a very low p-value of 0.000. The coefficient of 0.057 for Fluctuation in the Inflation Rate indicates that, holding other variables constant, a one-unit increase in fluctuation in the inflation rate is associated with a 0.057 increase in employee attendance and punctuality. However, this variable is not statistically significant, with a p-value of 0.279. R^2 is 0.858, meaning that approximately 85.8% of the variance in employee attendance and punctuality can be explained by the variables used, while the remaining 14.2% can be explained by other variables not included in the model.

Hypotheses Testing

H_{01}: Changes in fuel prices have no significant effect on employees' attendance and punctuality at Federal University, Gusau. This hypothesis is rejected. The regression coefficient for changes in fuel price is statistically significant ($p < 0.001$), indicating that changes in fuel prices significantly affect employees' attendance and punctuality.

This aligns with the hypothesis that changes in fuel prices significantly affect attendance and punctuality, as observed in the regression results.

H_{02}: Adjustment in transportation costs has no significant effect on employees' attendance and punctuality at Federal University, Gusau. This hypothesis is rejected. The regression coefficient for adjustment in transportation is statistically significant ($p < 0.001$), indicating that adjustment in transportation costs has a significant effect on employee attendance and punctuality. Specifically, for every one-unit increase in adjustment in transportation costs, there is a 0.386 increase in employee attendance and punctuality, holding other variables constant.

The result contradicts the study of Atah, Margaret, Ogbiji, and Ititim (2023) but supports the findings of Sani and Niyi (2023). This aligns with the hypothesis that adjustment in transportation costs does have a significant effect on attendance and punctuality, as observed in the regression results.

H_{03}: Fluctuations in inflation rates have no significant effects on employees' attendance and punctuality at Federal University, Gusau.

This hypothesis failed to be rejected. The regression coefficient for fluctuations in the inflation rate is not statistically significant ($p = 0.279$), indicating that fluctuations in inflation rates may not have a significant effect on employees' attendance and punctuality at Federal University Gusau. Therefore, there is insufficient evidence to conclude that fluctuations in inflation rates have a significant effect on employee attendance and punctuality. The result is in contrast with the study of Loo (2021) but is in tandem with the study of Khalid, Angel, Harald, Peter, and Terrie (2014).

Conclusion

The findings reveal significant insights into the relationship between changes in fuel prices, adjustments in transportation costs, fluctuations in inflation rates, and employee attendance and punctuality at Federal University, Gusau.

The regression results reject the hypothesis that changes in fuel prices have no significant effect on employee attendance and punctuality. Instead, the findings indicate that changes in fuel prices do have a significant effect on attendance and punctuality. This finding contradicts the notion that changes in fuel prices do not affect employee attendance and punctuality, as observed in the study by Kingsley, Ewhe, Peter, Okolie, and Rupert (2023), but aligns with the findings of Boedijono, Muhammad, and Eleonora (2019).

Similarly, the hypothesis that adjustment in transportation costs has no significant effect on attendance and punctuality is rejected based on the regression results. Adjustment in transportation costs is found to have a significant effect on employee attendance and punctuality. This result contradicts the findings of Atah, Margaret, Ogbiji, and Ititim (2023) but aligns with the study by Sani and Niyi (2023).

The hypothesis regarding fluctuations in inflation rates is not rejected, indicating insufficient evidence to conclude that fluctuations in inflation rates have a significant effect on employee attendance and punctuality. This finding contrasts with the study by Loo (2021) but aligns with the findings of Khalid, Angel, Harald, Peter, and Terrie (2014).

Contrary to the Economic Theory of Subsidy Removal, the findings suggest that changes in fuel prices and adjustments in transportation costs do have significant effects on attendance and punctuality despite fluctuations in inflation rates not being significant. This implies that while changes in inflation rates may indirectly affect attendance and punctuality through overall economic conditions, changes in fuel prices and transportation costs have a more direct impact on employee attendance and punctuality.

The following recommendations have been made based on the findings of the study:

i. University leaders should implement supportive measures to mitigate the adverse effects of fuel subsidy removal on employee performance. This could include providing financial incentives, flexible work arrangements, and transportation assistance to alleviate the financial burden on employees.

ii. Universities should prioritise investments in employee well-being to foster resilience and productivity amidst policy changes. This could involve offering wellness programs, mental health support, and professional development opportunities to enhance employee satisfaction and engagement.

iii. Policymakers should collaborate with stakeholders, including universities, government agencies, and transportation providers, to develop holistic solutions that address the challenges faced by employees due to fuel subsidy removal. By leveraging collective expertise and resources, policymakers can design comprehensive policies that support both employees and organisations by finding alternative energy sources, improving energy efficiency, and reducing carbon emissions. By investing in sustainable solutions, we can mitigate the adverse effects of fuel subsidy removal on both employee performance and the environment.

The study is focused on the federal university Gusau, limiting generalizability to other universities. The study also relied on self-reported data surveys, which can be subject to biases. The study time was limited, and the study did not capture the long-term effects of fuel subsidy removal. Future studies can replicate the study in other universities, explore longitudinal designs and mixed methods approaches, and investigate mediating or moderating variables.

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ROLE OF INTERNAL COMMUNICATION STRATEGIES ON EMPLOYEE ENGAGEMENT: A CASE STUDY OF AL-QALAM UNIVERSITY KATSINA

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ABSTRACT.
Background: Managerial communication significantly influences employee participation by enhancing organizational identification, job satisfaction, motivation, commitment, and performance, even in Al-Qalam University Katsina's multicultural and developing context. Aims: This study examines the impact of communication strategies on employee engagement, employing Self-Determination Theory, Job Demands-Resources Theory, Social Exchange Theory, and Communication Satisfaction Theory. **Methods:** A qualitative design was used, focusing on a pluriphonic analysis of existing literature. The study utilized Al-Qalam University as a case to analyze feedback systems, cultural intensity, and openness, without direct data collection. **Sample:** A comprehensive literature review was conducted to gather academic insights into communication issues and solutions in organization-focused communication within multicultural settings. **Results:** Key barriers identified include organizational culture, political barriers, and cultural differences. Effective communication strategies, such as decentralized communication, culturally appropriate training, and robust feedback mechanisms, enhance motivation by fulfilling the psychological needs of autonomy, mastery, and relatedness under the Self-Determination Theory. **Conclusion:** Employee engagement emerges as a product of managerial communication, particularly where decentralized communication, culturally tailored training, and optimal feedback systems are implemented. **Implications:** The findings underscore the importance of internal communication as an engagement strategy, with implications for multinational organizations and providing a theoretical basis for future empirical research.

Keywords: Internal communication strategies, Employee Engagement, Internal communication.

***JEL Classification**:* M12, O32

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Introduction

There are conditions that facilitate increased employees' productivity including the factors under the analysis for the employees of the academic institutions including Al-Qalam University Katsina. Every time the employees are motivated or want to achieve something for the university, which is helping students attain better results and fulfilling institutional goals and objectives, there is a lot of improvement. At Al-Qalam University Katsina, it is also evident that there is a positive correlation between high Employee Engagement (EE) level and better teaching standards, enhanced performance from the student's side and esprit de corps within the academic neighborhood. Hines (2022) has used the words dedication, absorption, and vigor in an educational context identifying the employees who are dedicated and absorbed are vigor. Furthermore, Sefahvand et al. (2021) have identified that participation is positively related to both elevated levels of engagement level and organizational retention, performance which is crucial for sustaining the university's functions and reputation.

This research work identifies several challenges that influence employee engagement in Al-Qalam University Katsina which include; The provision of few or little professional development programme available to the employees, lack of adequate recognition and rewards, and no proper work and life balance support. These challenges lead to low staff morale, high turnover and average performance among the staff. For instance, Skaalvik (2020) noted that a lack of job resources as well as requisite support will lead to burnout which lowers motivation. In addition, problems with engagement are aggravated by organizational institutions, for example, subordinate employees, as well as bureaucratic processes, because they set limitations on how employees can approach organizational requirements (Ohemeng et al., 2021).

However, based on the engagement challenges highlighted above, the following has been done by staff at Al-Qalam University Katsina: Departmental Management Team, the formation of the union by faculties and student populace. As for staff development, the administration has introduced training and developmental programs to improve the needed skills and future employee promotion. Children of the faculty have advocated for better faculty conditions, employment remuneration, and work, family requirements proposals. Also, students have been taking time to present their demands to the administration because staff-related matters affect the quality of service rendered. However, there are challenges many of which relate to resource constraints and the inherent nature of systems in large institutions which can take long to adapt.

From the research conducted in the previous sections, Al-Qalam University Katsina maintains some common issues affecting the engagement of employees even with all stakeholders involved. Such challenges may be due to; inadequate funding where the support of engagement activities is not fully and effectively implemented, the cultural and belief system of the institution, which discourages the adoption and sustenance of quality improvement reforms (Adeoye & Ainnubi, 2023). It also produces conflicting and ambiguous messages between various organizational levels, adding another layer to the administration's goals and aims and employees' perceptions of them.

Staff motivation concerns at Al-Qalam University Katsina can be seen to present an exciting research area in internal communication processes. Better communication between the administration and staff – employees will be more appreciable and listened to and the results will prove it. These include daily/weekly/monthly contact, receiving feedback, and consultations which play an important role in Enhancing the staff's trust. In addition to the above, establishing frameworks that enable the employees to express their input in decisions, formulation processes will ensure workforce commitment. The authors Mishra, Boynton & Mishra describe internal communication as a central tool in building a strong organizational culture, which ensures that employees remain actively engaged all the time.

Thus, the purpose of the present research is to investigate the practical issues related to employee engagement at Al-Qalam University Katsina and to assess the role of internal communication management in increasing levels of employee engagement. Finally, the study will offer recommendations that will enable enhancing employee engagement to help the university succeed in its mission and thus be successful.

Theoretical background

This review aims to synthesise the extant literature in regard to the place and contribution of internal communication strategies in framing engagement among employees with specific reference to the educational context of Al-Qalam University Katsina. Internal communication may be defined as the flow of communication, interpersonal, interaction and relation within or among employees in a particular organization (Qin & Men, 2023). It includes official written communication like emails, newsletters, meetings and intranets forms in addition to the oral word of mouth communication (Okolo, 2024). Proper internal communication helps to create unity of purpose, maximises organisational commitment, supports open communication, and overall increases interaction leading to improved engagement (Mmutle, 2022).

Compared to engagement, which is understood as the emotional attachment workers show to their organization, the relationship between EE and DEM and job performance is highly positive (Ampofo, 2020). Connected people display passion, accept accountability for work, and perform beyond set standards (Gupta et al., 2022). Engagement elements such as job satisfaction, motivation, organization commitment, and productivity are positively correlated with positive organizational outcomes such as; increased innovation, decreased turnover, and enhanced organizational efficiency (Yadav et al., 2022). Intenral communciation plays an important role in this process; employees learn about organizational goals and objectives, build trust, and create a sense of the organization's inclusions (Lubis, 2024). In this case ineffective communication results in disengagement, confusion to members and low morale can be identified (Ibeh et al., 2024).

Modern strategic theories offer sufficient grounds for understanding the connection between internal communication and the level of employee engagement. Self-Determination Theory (SDT) introduced by Deci and Ryan (2021 is embedded with three fundamental psychological requirements that include autonomy, competence, and relatedness. As for the needs that internal communication that aims at the transparency and participatory decision-making directly target; this guarantees engagement as well as motivation (Bah et al., 2024). According to the Job Demands-Resources (JD-R) Model by Bakker et al., (2023), internal communication is an important job resource. In this way, communication works as a buffer of job demands that, in turn, helps decrease burnout and increase engagement (Bakker, 2023).

Social Exchange Theory appreciates the employee-organisation exchange where mutual and timely communication creates value and reciprocity that leads to positive engagement (Lensatsi, 2020). Moreover, the Communication Satisfaction Theory introduced by Heath Bryant relates employees' satisfaction with communication with other outcomes involving job satisfaction, employees' commitment to their organizations, and their trust in the leaders (Alsayed, 2022). This adds to the underlined necessity of the properly developed communication strategy (Špoljarić, & Tkalac Verčič, 2022).

Several studies emphasize the importance of internal communication in fostering employee engagement and organizational performance. Kimani (2024) highlighted the significance of transparent, two-way, and leadership communication in increasing employee engagement while recommending strategies such as training and technology investments to address challenges like information overload and language barriers. Meirinhos et al. (2022) and Lauren (2023) also found that effective communication tools, leadership involvement, and cultural sensitivity were crucial for improving employee satisfaction and commitment. Similarly, Mbhele & De Beer (2022) and Mmutle (2022) stressed the role of participative organizational culture, high-quality information, and transparent communication in enhancing employee engagement. Balakrishnan et al. (2023) further noted the importance of balanced communication practices to maintain engagement, cautioning against asymmetrical communication.

Other studies focused on the broader application of communication strategies. Ify (2024) and Bao et al. (2020) demonstrated the positive relationship between inclusive communication approaches and employee productivity, while Bosco (2024) explored how marketing techniques like brand management and gamification could enhance engagement. Letlatsa (2023a, 2023b) examined communication in higher education, identifying challenges in implementation and the need for comprehensive, employee-inclusive strategies. Collectively, these studies suggest that organizations should prioritize transparent, participative, and culturally sensitive communication strategies to foster collaboration, trust, and improved performance.

This review lays out previous knowledge and understanding about internal communication and engagement from an academic insider view with a focus on context and culture especially in non western countries.

Methodology

This conceptual research paper engages an analytical research method to analyze internal communication impact on employee engagement in Al-Qalam University Katsina employing Self-Determination Theory (SDT), the Job Demands-Resources (JD-R) Model, Social Exchange Theory

(SET), and Communication Satisfaction Theory. To draw the conceptual framework, this study reviews previous literature to argue how internal communication enhances engagement through the psychological needs, job resources, reciprocity, and communication satisfaction. The paper outlines the key trends and shifts with regard to communication strategies and its correlates to engagement. The study therefore is more of theory-based, without any initial data collection and aspires to give sharper perception of how internal communication as a construct could be utilised in various settings which include the Al-Qalam University in the non- western countries and the findings may be used as a pilot study for future empirical research.

Results

As a result of the conceptual research conducted in this paper, it is evident that internal communication is an important factor for EE at Al-Qalam University Katsina, for which the use of SDT, JD-R, and SET is recommended. Engagement according to SDT is fostered by employee autonomy, competence, as well as relatedness. Hence, internal organizational communication that provides employees with insight and engages them in the decision-making process goes a long way in fostering their emotional attachment to the organization (Yue et al., 2022). Likewise, based on the JD-R theory, while highlighting job demands and resources needed to explain effective internal communication as the means where employees get critical information and support to lessen stress and confusion while enhancing their interest (Bakker et al., 2023). Last, SET highlights bi-directional communication between the organization and employee; when management reciprocates employees' engagement with appropriate, consistent, and comprehensive communication, they become more emotionally committed, and, therefore, gain increased engagement (Cortez & Johnston, 2020).

Several communication strategies will help Al-Qalam University to enhance its levels of employee engagement. Continued newsletters, town hall meetings, and the effective functioning of the internal website may help to maintain the description of the goal and progress of the institution while instilling a sense of the employees' contribution (Saeed et al., 2022). Moreover, the implementation of surveys and suggestion boxes would allow employees to have decision-making input, as suggested by SDT, which, if implemented, allows workers to engage and therefore increase job satisfaction (Yuspahruddin et al., 2020). Another strategy belongs to training, aimed at the equal recognition of cultural and language differences as well as building effective interpersonal communication with a focus on the multicultural nature of the work floor as a main method of coping with issue #2 within the JD-R model by means of lessening the job demand through better development of the communication skills (Bakker & de Vries, 2021). Last, it could be said that the idea of sharing employee's accomplishments with others would support reward management, and overall, lead to higher levels of motivation as per SDT; relatedness, which would boost engagement (Jeeta, 2021). Nevertheless, to achieve these benefits, it is necessary to overcome barriers including bureaucracies and corresponding communication systems, organizational employees' resistance to change, and cultural disparities. The former solutions consist of decentralising communication to include middle managers, implementing change management strategies in which employees are involved in planning, or in providing culturally-sensitive communication training, as underlined by Shrivastava (2020). By overcoming these challenges, Al-Qalam University could improve its internal communication thus increasing the employee's satisfaction and uptake their productivity as well as unifying the institution.

Conclusion

This study investigated internal communication as the antecedent to EE at Al-Qalam University Katsina using conceptual frameworks SDT, JD-R and SET. As these theories will demonstrate, autonomy, competence, and relatedness play a crucial role in creating interest and learning in the work setting; the opposition between demands and resources; and mutuality in communication as the asset in building commitment. The results also suggest that communication processes, feedback and culture-sensitive measures can contribute positively to the matter of engagement. Hierarchical structures, lack of openness to change, and cultural differences were established as difficulties that can be addressed using decentralised communication, integrated change management, and comprehensive comprehension of cultural sensitivity.

This paper integrates SDT, JD-R, and SET to provide the framework through which universities within the Nigerian context improve employee engagement through internal communication. The paper further offers clear practical recommendations and direction for subsequent studies with the goal of enhancing organizational efficacy in other multicultural, resource-scarce environments.

Even though this research provides valuable information, its limitations lie in the approach taken here as this study does not involve empirical testing of the proposed model, and the study conducted on only one institution can produce limited generalizations. This task suggests that the identification of the strategies for enhancing employee engagement should be empirically examined in various organizations in future research. Co-longitudinal designs could have utility in examining the longevity of engagement enhancements. Further, a comparison of these strategies between Nigerian and other countries' schools and between different Nigerian schools would affirm the generalisation of these strategies. Future qualitative research studies should also focus on the analysis of specific communication tools and technologies for use within multicultural organizations to enhance the effectiveness of the internal communication systems available.

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TAX REVENUE AND ECONOMIC GROWTH IN NIGERIA 1970- 2022: VECTOR ERROR CORRECTION MODEL

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ABSTRACT.
Background: Tax revenue is a major source of funding for governments globally. The impact of tax revenue on economic growth has been a subject of debate amongst scholars largely because of a lack of consensus on findings from prior studies and effects on the lives of citizens. **Aim:** The aim of the study was to determine the effect of direct taxes on the long-run economic growth of Nigeria for the period 1970 to 2022 using CBN and World Bank data publications for Nigeria. **Methods**: Direct taxes were proxied as company tax, petroleum profit tax, education tax, and personal income tax while economic growth variables considered were real GDP, unemployment, and the VAR method of vector error correction model was used. **Sample**: The population of the study covered tax and economic data for the period of Nigeria's independence 1960-2022 and in all sixty-three years. However using a purposive sampling technique to determine sample size, the researcher focused on data for the post-war period which covered 1970-2022, and eliminated the period of war. **Results**: Company income tax and education tax have significant positive impacts on real GDP growth in Nigeria, while the effects of personal income and petroleum profit taxes are insignificant. The effects of taxes on economic growth are more long-term rather than short-term. **Conclusions:** The author concludes that company and education taxes improve economic growth in Nigeria with these impacts more glaring in the long run rather than in the short run while petroleum and personal taxes play minor roles. **Implications:** The tax system for companies should be designed and implemented in a way to minimize distortions and inefficiencies taking into account any constraints that may arise, thus enhancing revenue collections. Also, policymakers should re-appraise current tax policies and formulate new policies on petroleum and personal income taxes that will improve GDP growth.

Keywords: Direct Taxes, Gross Domestic Product, Money Supply

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Introduction

Governments raise revenue, stabilize the economy, and promote economic advancement through taxation (Minh et.al 2022). These functions ensure that the economy operates effectively and fairly and that the advantages of economic progress are dispersed in a way that promotes societal well-being. The increased tax will constrain individual taxpayers' ability to contribute to economic progress, while the same holds for business taxpayers, since greater taxes may limit their capacity to release more goods onto the market. The government states that the raised tax would provide funding for infrastructure, health, education, and basic information technology investments, which are expected to generate future economic productivity gains.

According to the Solow Growth Model (Solow, 1956), variations in the rates of population increase, savings growth, and technical advancement all impact economic development. Barro (1991) and Jones et al.(1993) developed the economic model into endogenous growth models, which explored the economic consequences of tax composition. The economic model was expanded to account for the impact of personal income tax on the saving rate. According to economic theory, all taxes impact how quickly the economy grows. Examining the connection between fiscal policy and economic growth in industrialized and emerging nations is attractive to many academics and researchers. These studies shed light on the effects of various fiscal policies, including capital flow regulations, government spending programs, and tax policies, on variables such as investment, employment, and productivity growth. Taxes impact household income and economic production. The taxpayer's capacity to labor is significantly reduced when taxation is high. Additionally, because higher taxes will significantly cut their income, many doubt their decision to put in additional hours at the office. Governments should thus consider taxation's economic and social effects by observing how raising taxes may make taxpayers work harder to balance their income levels. The link between taxes and economic development is complicated and has prompted extensive research and analysis. Numerous studies have been conducted to investigate the influence of taxes on economic growth. Myles (2000) defines economic growth as the foundation for increased prosperity, and the gross domestic product is typically used as a proxy for a country's growth. According to some research, high tax rates discourage labor, savings, and investment and harm economic development. This is because high taxes can lower the incentives for individuals and enterprises to engage in productive economic activities, resulting in a decrease in economic growth. .Lee and Gordon (2005) examined seventy nations between 1980 and 1997, and discovered that corporation taxes are related to poorer economic development. At the same time, their findings revealed that a 10% drop in the statutory corporate rate enhances annual GDP per capita growth by 0.7% to 1.1%. Arnold (2008) revealed that income taxes are often associated with poorer economic growth than consumption and property taxes. Hakim et.al (2022) pointed out the negative effect of direct and indirect taxes on the economic growth of developing countries and the existence of a positive relationship for developed countries. Gemmell, Kneller, and Sanz, (2011) examined 17 OECD nations from 1970 to 2004 and revealed that direct taxes, particularly personal and corporate income tax, are damaging to economic growth. Poulson, and Kaplan, (2008)higher marginal tax rates had a detrimental influence on economic growth. Li and Lin (2015) estimated the long-run and short-run elasticity of sales tax on growth in the United States from 1960 to 2013. The findings imply that a sales tax is detrimental to economic growth in the long term but beneficial in the short term. Some studies, however, have concluded that taxes can have a favorable impact on economic development. This conflicting empirical research motivates further research to examine the long-run implication of direct taxes across various political and military governments in Nigeria.

Theoretical background

Lin and Lin (2023) evaluated the influence of tax on the growth and development of China. The study employed a systematic review design and evaluated 50 studies in China. The study shows that the introduction of a housing property tax in China increases physical and human capital accumulation and the growth rate of output in the long run no matter whether the revenue from housing property tax is used for reducing government debt, personal income tax, or capital income tax, or for increasing government education expenditure. The tax reform has a strong inter-generations redistribution effect, i.e., it increases the welfare of future generations but reduces the welfare of current generations.

Adefolake and Omodero (2022) assessed the effects of tax revenue on Nigeria's economic growth by utilizing time series data spanning from 2000 to 2021. The study variables which comprise Gross domestic product, Petroleum profit tax, corporate income tax, and Value added are found to be stationary at first difference. Thus, a Johansen co-integration test was conducted and it reveals a long-run relationship. Consequently, the study utilizes the Vector Error Correction Model to evaluate the effects of PPT, CIT, and VAT on GDP. The findings reveal that PPT and VAT have positive and significant effects on GDP. It also reveals that CIT has a negative and significant effect on GDP.

Nguyen and Darsono (2022) focused on the correlation between tax revenue, investment, and economic growth, taking into account the non-linear effects of tax revenue. The study used Macro data of nine countries in ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam) in 2000 -2020. The study found statistical evidence of a negative effect of tax revenue on economic growth. However, when considering the non-linear effects of tax revenue, the empirical findings showed that higher tax revenue could reduce the disadvantages of tax impacts to boost economic growth. Peterson and Bair (2022) examined the impacts of tax and other economic variables on economic well-being in the USA. Through a series of multiple regression models, the study found that increases in the highest statutory corporate and personal income tax rates reduce real GDP per capita. Growth in net exports of goods and services, M2 money supply, multifactor productivity, and cost, collectively increase real GDP per capita, while, the personal savings rate, and the market value of gross federal debt decrease real GDP per capita.

Rahman (2022) examined the effects of the corporate tax rate on sustainable development in the BRIC and CIVETS countries. The research employed a panel dataset for 2000–2021 years and applied a panel data regression model to analyze the data. The research finds that the corporate tax rate is positively and significantly associated with sustainable development goals (SDG). The result implies that a higher rate of corporate tax plays a vital role in achieving sustainable development goals in emerging economies. By including personal income tax, sales tax, and theoretical arguments, the study contributes to the debate on the corporate tax rate and the achievement of SDG in emerging countries.

Dramane (2022) examined the nexus between military spending, tax revenues, and economic growth in the G5 Sahel countries. To this end, a VAR model was estimated on a panel of five countries over the period 2000 - 2018. The analysis led to three main results. First, economic growth helps finance military spending, while military spending has a negative effect on economic growth. Second, military spending lagged by a period has a positive effect on tax revenues, while tax revenues have no effect on military spending. Third, tax revenues promote economic growth, and in return, economic growth contributes to increased tax revenues.

Shabani et al., (2022) analyzed the impact of the structure of tax revenues on economic growth in the Republic of Kosovo findings indicate that the structure of tax revenues and tax policy reform at the end of 2015 has positively affected economic growth in the Republic of Kosovo for the analyzed period (2010-2020).

Mubanga (2022) evaluated the effect of taxation on the economic growth of Zambia following various policy changes aimed at achieving middle-income status as enshrined in Vision 2030. The study revealed that despite various tax types giving varying results on how they affect economic growth both in the short-run and long-run, they have a positive effect on the growth of the Zambian economy.

Le (2022) examined the impact of taxes on economic growth in developing countries of Malaysia, Thailand, Vietnam, Philippines, and Cambodia for the period 2000-2019. The results of the study show that increasing tax revenue has a negative impact on economic growth. Tax-based fiscal policies are policy tools to overcome fiscal deficits in developing countries. Fiscal revenues are used to finance unnecessary expenditures, which may be caused by the political system or by inefficient redistributive policies. The tax effect is not reflected in the GDP growth rate. Thus, tax revenue can be a viable source of deficit correction but will reduce economic growth.

Methodology

3.1 Research Design

The study adopts a longitudinal research design because of the number of years of study and an ex-post facto design because the data to be used is based on past events that have already occurred. This study is based on secondary data obtained from annual reports covering the years 1970-2022. The main source of data is the World Bank data website, the Central Bank of Nigeria Bulletin, the Federal Office of Statistics, and the Federal Inland Revenue Services. Information is collected from annual reports from the Central Bank of Nigeria Bulletin, World Bank country report, and Federal Office of statistics

To analyze the impact of direct taxes and economic growth in Nigeria, the study employed the Vector error correction model. The data component is divided into series to capture breaks and shocks for the period of the oil boom to the structural adjustment program, the fall in oil prices, the economic recession, the COVID-19 era, and the present economic era in Nigeria.

3.2 Variables of Study

The independent variables used in the study are petroleum profit tax, company income tax Personal income tax, and Education tax while the dependent variable is real gross domestic product.

Table 3.1: Measurement of Variables

Independent Variable	**Measurement**	**Expected Sign**
Company Income Tax (CIT)	Natural log of total revenue collected from company income tax	Positive
Petroleum Profit Tax (PPT)	Natural log of total revenue from petroleum profit tax	Positive
Personal income tax	Natural log of total revenue collected from taxes paid by individuals	Positive
Education tax	2.5 of profit before tax paid by companies to tax authorities	Positive
Dependent Variable		
Gross domestic product (GDP)	Products (GDP) Defined as the value of the goods and services produced by the nation's economy less the value of the goods and services used up in production	Positive
Control Variables:		
Money supply	Total amount of a country's currency in circulation	Negative/Positive
Public debt (PUD)	Total internal debt stock plus total domestic debt stock	Negative/positive
Interest Rate	The average rate of the interest rate applicable in a given year	Negative/Positive
Exchange Rate)	The rate of naira compared to other countries in a given year.	Negative/positive

The control variables for the study are money supply and public debt. This represents total foreign and domestic debts. When there is a budget deficit the gap between revenue and expected expenditure is normally filled through borrowing and is referred to as deficit financing. Public debt plays a role in economic development when it does not exceed the allowed threshold. In view of the impact public debt will have on economic growth, it is controlled in this study so that it will not affect the result of the study. Other control variables in the study are money supply, exchange rate, and interest rate. The summary of the variables and unit of measurement are shown in Table 3.1

3.3 Model specification

To examine the effect of direct taxes on economic growth, the study modifies the model in the works of Idris and Suleiman (2019) and Inyiama (2013). In line with their models, the model for this study is formulated as follows:

$$GDP = \beta_0 + \beta_1 \mathit{Log}CIT + \beta_2 \mathit{Log}PPT + \beta_3 \mathit{Log}PIT + \beta_4 P\mathit{LogEDT} + \beta_5 P\mathit{Log}PUD + \beta_6 P\mathit{LogMSU} + + \beta_7 \mathit{LogINT} + \beta_6 \mathit{LogEXC} + U_1, t \quad \text{(i)}$$

For hypotheses, our focus is on the model that expresses Growth in Gross Domestic Product as an econometric function of its own one-period lagged value, direct tax components which in this study are CIT, PPT, PIT, and EDT with the control variable Public Debt, interest rate, exchange rate, and Money supply., we expect that the proceeds of taxes are channeled to infrastructural development. Hence our expectation is that all direct taxes (CIT, PPT.PIT, and EDT) would enter the growth model positively and significantly. In other words, we expect apriori, that all will be positive and statistically different from 0

Results

4.1 Trend Analysis

The trend analysis presents the pattern and direction of movement of variables in the empirical analysis with the focus of indicating individual points or episodes for the variables. Figure 4.1 shows the trend in annual patterns of direct tax revenues for the government over the years. The trend shows that generally, the direct tax revenue of government only took a significant rise after the year 2000. This shift in direct tax revenue inflow may be related to the movement into civilian government that considered taxation as an important aspect of government revenue streams as well as the fiscal reforms that followed the new democratic government in the era. The trend also shows that, over the entire period, petroleum profit taxes (PPT) were the main direct tax component of the government. Interestingly, this component of direct tax revenue for the government was also the most unstable in size over the period. The sharp movements in the trend in PPT show that there is a high variation in the revenues from petroleum profits. This can significantly influence the ability to plan for development with resources from this stream of tax revenue. This implies that although it is the largest component of direct taxes in Nigeria, petroleum profit taxes do not present a significant economic development planning strategy for the country. In this direction, company income taxes (which is the second largest source of direct taxes) and customs and excise duties are the most stable direct tax components in the country. These tax inflows appear to be more stable for the economy and they have both increased significantly over the years.

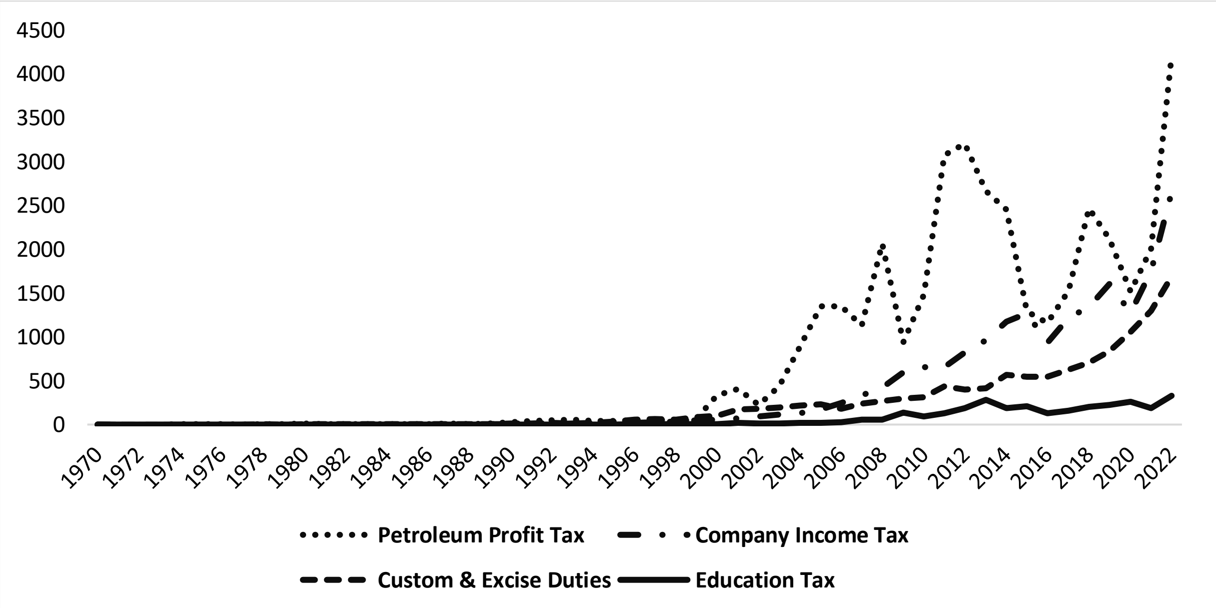


Fig. 4.1: Trend in Direct Tax Revenues in Nigeria
Source: Author's computation based on data from CBN

Figure 4.2 also shows the trend in the shares of the direct tax components in total direct taxes. These clearly show the relevance or importance of each tax component in total direct taxes in the country. As expected, petroleum profit taxes have had the largest share in total direct taxes over the period of the study, apart from the early 1970s (when oil played a lesser role in fiscal activities) and between the late 1990s when oil prices were generally low. The share of customs and excise duties in total direct taxes declined drastically once petroleum profit taxes took center stage in revenue share. The custom and excise duties had the second largest share in total direct tax revenues up till 2006 when company income taxes became more prominent in its contribution to tax revenue. Education tax revenue has remained the lowest contributor to total tax revenue over the years. The share of petroleum profit taxes is also the most unstable among the four direct tax contributions, while the education tax share has been more stable over the period.

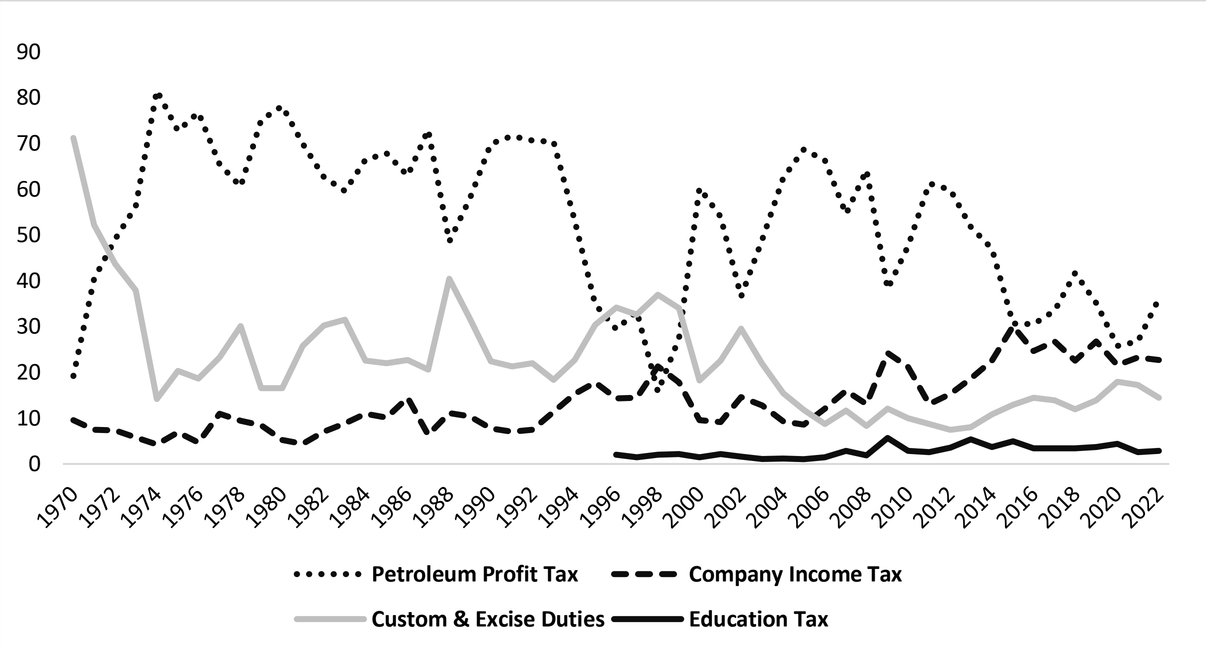


Fig. 4.2: Share of tax revenues in total direct taxes
Source: Author's computation based on data from CBN

4.2 Summary Statistics

The descriptive statistics of the time series data for the variables used in the study are reported in Table 4.1. The Table shows the mean and other moment conditions for each of the variables. Average real GDP growth is 3.603 percent over the period of the study. This is a relatively average growth rate, although the maximum rate shows there were periods of very high growth rates (14.6 percent at maximum). There were also periods of very low growth rates with a minimum value of -13.13 percent indicating that a sharp decline in economic performance was experienced in some of the years. The standard deviation of 5.57 for the growth rate of GDP is lower than the mean value, indicating that the reported growth rates for many of the years were generally similar to the reported mean value. This outcome is also demonstrated in the low skewness value of 0.722 (close to zero), although the kurtosis value of 4.035 indicates that there are many outlier growth patterns over the years in Nigeria.

Table 4.1: Descriptive Statistics

Variable	Mean	Max.	Min.	Std. Dev.	Skew.	Kurt.	J-B	Prob.
GDPG	3.603	14.60	-13.13	5.571	-0.722	4.035	6.835	0.03
EDTG	11.14	119.43	-47.25	32.03	0.998	4.770	15.414	0.00
PITG	12.91	331.11	-61.23	56.17	3.857	21.73	889.00	0.00
PPTG	20.53	154.94	-128.67	59.12	-0.013	3.048	0.006	0.84
GMS	22.25	72.88	-99.88	23.78	-2.194	14.92	349.30	0.00
GDEBT	17.10	628.73	-259.1	105.81	3.556	23.79	1045.7	0.00
EXRT	100.8	476.1	0.550	123.2	1.435	4.485	22.635	0.00
INTR	19.45	36.09	6.000	8.312	-0.273	1.984	2.880	0.24

Source: Author's computation

For the tax variables, we reported averages for annual changes in the measures in order to obtain better reports. The average growth in company income taxes is 20.93 percent which is very high and suggests that CIT has increased rapidly over the years in Nigeria. The average growth rate of CIT is the highest growth rate among the components of direct taxes in the study, with education taxes (with an annual average growth rate of 11.14 percent) being the least. Thus, the CIT component of direct taxes appears to be the most robust, although petroleum profit taxes, at an annual growth rate of 20.53 percent on average are also impressive. Some of the tax components experienced years of very rapid growth, especially personal income taxes with a maximum annual growth rate of 331.1 percent, and PPT with a maximum rate of 154.94 percent. PPT also had the most rapid decline in terms of growth with a -128.67 percent decline in one of the years. The average growth in money supply is 22.25 percent, while the average growth in public debt is 17.1 percent, with a high standard deviation of 105.8. The average interest rate for the period is also high at 19.45 percent.

Another important statistic computed in descriptive statistics is the Jacque-Bera (J-B) statistic which indicates a pattern of probability distribution of the datasets. This pattern of probability distribution is important for the system of estimation adopted in the analysis. In Table 4.1 the J-B statistic for most of the variables is significant, which means that the hypothesis of non-normality of the data series cannot be rejected at the 5 percent level for these variables. Thus, it can be seen that most of the series are non-normally distributed. The application of a VECM technique in the analysis of data however overcomes the problem of non-normality in the time series-based estimation framework.

4.3 Correlation Analysis

In order to further present a robust analysis of the study, the unconditional correlations among the revenue and tax variables in the study are computed and the results are shown in Table 4.2.

For the direct tax variables, there is a clear significant and positive correlation among the four components. For instance, the correlation between EDT and CIT is high at 93 percent, while the correlation between PIT and CIT is 91 percent and that of PPT with CIT is 98 percent. These high positive correlations indicate that all direct tax revenue components move together in Nigeria. When any one of the components is increasing, the others are also rising. The highest correlation among the tax revenue variables is between PPT and CIT which is at 98 percent, suggesting that petroleum taxes and company taxes are highly related in Nigeria. An important outcome of the correlation table refers to the correlation among the independent variables. The Table shows very high correlations among the variables for explanation which may suggest the presence of multicollinearity in an equation with all the variables included. However, the application of VECM implies that all the variables are considered to be endogenous in the system of equations, which makes the problem of multicollinearity redundant.

Table 4.2: Correlation Matrix

	LGDP	CIT	EDT	PIT	PPT	DEBT	LMS	EXRT	INTR
LGDP	1								
CIT	0.97 (0.00)	1							
EDT	0.96 (0.00)	0.93 (0.00)	1						
PIT	0.87 (0.00)	0.91 (0.00)	0.79 (0.00)	1					
PPT	0.94 (0.00)	0.98 (0.00)	0.90 (0.00)	0.87 (0.00)	1				
DEBT	0.64 (0.00)	0.62 (0.00)	0.68 (0.00)	0.63 (0.00)	0.61 (0.00)	1			
LMS	0.76 (0.00)	0.62 (0.00)	0.76 (0.00)	0.48 (0.00)	0.59 (0.00)	0.51 (0.00)	1		
EXRT	0.88 (0.00)	0.84 (0.00)	0.88 (0.00)	0.82 (0.00)	0.79 (0.00)	0.76 (0.00)	0.70 (0.00)	1	
INTR	0.71 (0.00)	0.79 (0.00)	0.61 (0.00)	0.89 (0.00)	0.77 (0.00)	0.53 (0.00)	0.24 (0.09)	0.64 (0.00)	1

Note: Probability values are in parentheses. Source: Author's computation

4.4 Unit Root and Cointegration Analysis

The unit root test for the variables is used to examine the level of stationarity of the time series used in the empirical analysis., the test for stationarity of the data series is performed using two different methods namely, the Augmented Dickey Fuller (ADF) and the Kwiatkowski-Phillips-Schmidt-Shin (KPSS) procedure. While the ADF test is an indirect process of testing for unit roots, the KPSS tests are more direct in terms of the null hypothesis. The results of the unit root tests are presented in Table 4.3. From the results of the ADF tests reported in the first panel of the Table, it can be seen that the ADF test statistics for each of the variables in levels are less than the 95 percent critical values indicating that they are insignificant. On the other hand, the test statistic values for the series in the first differences are greater than the critical values at the 5 percent significance level (please, refer to the Appendix for the t-statistics). Thus, those variables are non-stationary in levels but their first differences were found to be stationary. This implies that most of the variables in the study are integrated of order one (or I[1]).

Table 4.3: Unit Root Test for Variables

Variable	**ADF Test**		**KPSS**		**Order of Integration**
	Levels	*First Difference*	*Levels*	*First Difference*	
GDP	-0.484	-6.592**	0.820**	0.119	I(1)
CIT	-1.036	-7.622**	0.861**	0.150	I(1)
EDT	0.548	-8.193**	0.771**	0.402	I(1)
PIT	-0.535	-8.694**	0.894**	0.078	I(1)
PPT	-1.831	-6.141**	0.979**	0.235	I(1)
INTR	-1.891	-8.004**	0.754**	0.069	I(1)
DEBT	0.219	-5.890**	0.771**	0.402	I(1)
EXRT	1.111	-4.810**	0.854**	0.359	I(1)
MSU	-1.012	-7.003**	0.512**	0.140	I(1)

*Note: * indicates signifies at 5 percent; 95% critical values are reported in parentheses below each test value*
Source: Author's computation

As noted earlier, the KPSS test for stationarity tends to improve the robustness of the unit root tests. The result shown in the second panel of Table 4.3 indicates that for each of the series, the null hypotheses of stationarity cannot be rejected for the variables in the first differences (the test statistics fail the test). This indicates that the series are difference-stationary and that all the variables are actually I[1]. This implies that a dynamic long-run relationship may be estimated based on the ARDL approach to cointegration for the dynamic analysis (Akinsokeji, Adegboye & Edafe, 2016). Essentially, it is appropriate to use cointegration analysis to estimate the relationships between the variables.

.For the purpose of this study, the Johansen cointegration test procedure is employed. The tests are performed for each of the equation sets on the basis of the economic development variable of interest. The results of the tests are reported in Table 4.4. In the result, both the Trace and the Max-Eigen statistics are deployed for testing for cointegration. The result for the real GDP set indicates that at least one cointegrating vector exists among the relationships (since the statistic for "none" is significant). This indicates that there is cointegration for the GDP equation and that a long-run relationship is also established by the time series. s. Hence, the result reveals the presence of cointegration among the datasets. A long-run relationship is established for the series. The cointegration among the variables therefore implies that the error correction form of VAR needs to be employed in the analysis. Thus, the vector error correction model (VECM) is used for the empirical analysis in this study.

Table 4.4: Johansen Cointegration Test Result

Equation	
	RGDP
Hypothesized No. of CE(s)	Trace Statistic
None *	83.01
At most 1	46.27
At most 2	23.53
At most 3	7.92
At most 4	0.70
Hypothesized No. of CE(s)	Max-Eigen Statistic
None *	36.74
At most 1	22.74
At most 2	15.61
At most 3	7.21
At most 4	0.70

4.5 Lag Length Selection

Given that the collections of variables in the study are assumed to be cointegrated, the lag selection test is performed to determine the maximum lag that can generate optimum values for VECM relationships. In the lag selection, the optimality of the model was determined using both the Akaike Information Criterion (AIC) and Schwarz–Bayesian Criterion (SC). The optimum lag length is determined by considering the least values for the test coefficients. The result is shown in Table 4.5 and indicates that, for each of the equations (using the four economic development variables), the second lag possesses the minimum value. This implies only the first two lags are expected to be retained for the VECM estimation.

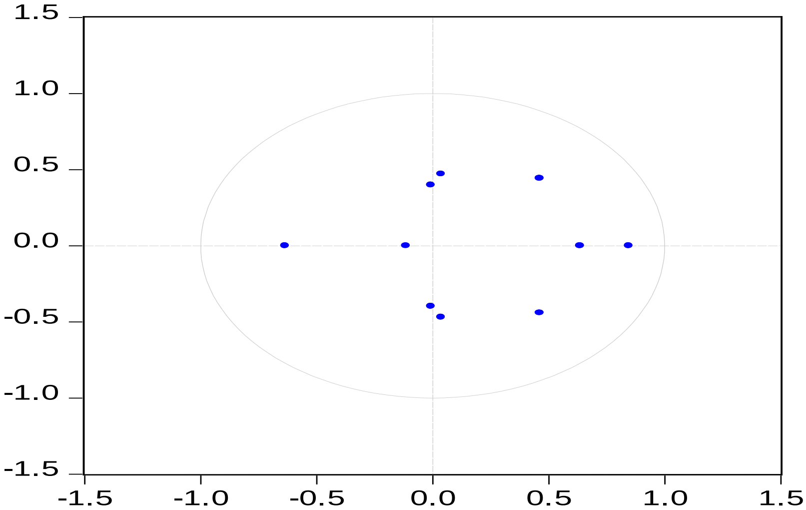
Table 4.5: Lag Length Selection Criteria

No of Lags	**GDP**	
	AIC	*SC*
0	3.88	4.18
1	-2.68	-0.83
2	-4.81*	6.74*
3	-3.93	-1.44
4	-0.62	-0.09

Note: * indicates selected lag. Source: Author, computation.

In the lag selection analysis of the ARDL model, the study proposed a one-lag period for the estimation of the dynamic relationship. In order to further evaluate the appropriateness of the selected lag structure, the inverse root of the lag length selection is also reported in Fig. 4.5. Since the roots from the various dots lie within the circumference of the circle, then it can be said that the selected lag length for the study is acceptable.

Fig. 4.5: AR Test for Lag Selection



Source: Author, computation

4.6 Granger Causality Testing

The first process in the VECM analysis is to test the level or patterns of causality among the variables included in the system of equations. Hence, the Granger causality test, which is a preliminary aspect of an endogenous vector-based analysis, is used to provide the background for estimating dynamic relationships. The results of the Granger causality tests are reported in Table 4.6 below. As is generally the case, the F-test is conducted on the null hypotheses of one variable not Granger-causing another variable. This implies that the rejection of a null hypothesis (based on the significance of the F-value for the particular relationship) shows that causality actually exists – i.e., runs from one variable to the other. Note that the causality test is conducted only for the critical variables in the analysis (economic development and tax variables). It can be seen that all forms of causality exist among the variables, including unidirectional causality, reverse causality and no causality.

The hypothesis of causality running from GDP to EDT is significant at the 1 percent level, although the reverse hypothesis of causality running from EDT to GDP is not significant. This shows that economic growth stimulates changes in education tax revenues, but education tax does not appear to generate changes in economic growth. There is also the uni-direction relationship between CIT and economic growth, with causality running from PIT to economic growth and not the other way around. Similarly, causality is shown to run from both PPT and CIT to economic growth. This clearly demonstrates unidirectional causality between economic growth and most of the direct tax variables, although the result for education tax suggests that reverse causality of direct tax component to economic growth also exists.

Table 4.6: Granger Causality Test Result

Null Hypothesis:	Obs	F-Statistic	Prob.
EDT does not Granger Cause LGDP	51	0.51	0.61
LGDP does not Granger Cause EDT		7.86	0.00
PIT does not Granger Cause LGDP	51	5.80	0.01
LGDP does not Granger Cause PIT		0.14	0.87
PPT does not Granger Cause LGDP	51	8.10	0.00
LGDP does not Granger Cause PPT		1.81	0.17
CIT does not Granger Cause LGDP	51	14.13	0.00
LGDP does not Granger Cause CIT		1.15	0.33

Note: * and ** indicate rejection of the null hypothesis at 5% and 1% respectively

4.7 The Vector Error Correction Mechanism

The Vector Error Correction (PVECM) involves different processes in order to perform the dynamic analysis. The existence of cointegration among the variables allows us to implement the Vector Error Correction Modeling technique, which describes the systematic disequilibrium adjustment process and the short-run transmission mechanism. All the variables in the study are treated as endogenous within the VECM analysis. The use of lags is expected to internalize the implications of expectations and dynamic impacts among the variables. Note that the optimal lag length of 2 lags was selected in the study based on the AIC and the SIC criteria.

4.7.1 The Parsimonious VECM Results

The initial estimates of the PVECM are reported in this section – including the cointegrated short and long-run results. In Table 4.7, the cointegrated long run results are presented in terms of the steady state effects of the direct tax components on each of the economic development variables using four different co-integration equations. The estimates reveal the long run βcoefficients on the individual variables in the cointegrating equations for the relationships. For the equation, the cointegrating vectors are all normalized on the coefficients of the economic growth variable in order to determine the long run impacts of the variable within a vector. The long-run coefficient therefore shows the stable relationships between the tax variables and economic growth. For the GDP growth equation, the coefficients of CIT and EDT are significant at the 5 percent level. This shows that over time, both company income taxes and education taxes have significant positive impacts on economic growth in Nigeria. The long-run impacts of personal income taxes and petroleum profit taxes are however insignificant.

Table 4.7: Vector Error Correction Model Result (long run)

	CIT	EDT	PIT	PPT
Coefficients of cointegrating equation (β) – long run results for GDP Equation	2.099* (2.99)	1.190* (2.93)	0.644 (1.63)	-0.267 (-0.42)
Coefficients of cointegrating equation (β) – long run results for Inflation Equation	0.177 (0.06)	6.803** (4.01)	-4.616* (-2.62)	-1.798 (-0.66)
Coefficients of cointegrating equation (β) – long run results for Unemployment Equation	28.36** (4.73)	-10.82** (-3.32)	-10.25** (-3.22)	-18.22** (-3.33)
Coefficients of cointegrating equation (β) – long run results for HDI Equation	-0.0001 (-0.02)	0.0141** (3.53)	-0.0124* (-3.11)	0.029** (4.86)

Note: t-ratios in parentheses. Source: Author's computation

The long-run effects of the other direct tax variables are negative, which shows that increased education, personal income, and petroleum profit taxes improve economic development over time in Nigeria.

Table 4.8 shows the short-run estimates of the VECM relationships which also gives the α or speed-of-adjustment coefficients on the long-run ECT in the error correction model (ECM) for each equation in the structural model. This coefficient further demonstrates the pattern of time-varying relationships for economic growth variables in the model. The ECT for all the equations (except PIT and PPT) possesses the expected negative signs that indicate long-run adjustments after any short-run disequilibrium in the system. However, only the ECT for the CIT and EDT equations are significant at the 5 percent level. Given that the ECT terms possess the expected negative signs, there is an indication that any short-term shock in economic growth, including CIT and EDT will result in a long-run adjustment procedure that ensures long-run stability. The statistically significant and negative error-correction terms confirm the existence of long-run relationships between the tax components and economic growth in Nigeria.

Table 4.8: Vector Error Correction Model Result (Short run)

	ΔLGDP	*ΔCIT*	*ΔEDT*	*ΔPIT*	*ΔPPT*
ECM_{t-1}	-0.033	-0.036*	-0.055*	0.054	0.035
$\Delta LGDP_{t-1}$	-0.340*	0.158	-0.156	-0.139	-0.404
$\Delta LGDP_{t-2}$	-0.324*	0.018	-0.075	-0.069	-0.379
$\Delta INFL_{t-1}$	0.003	0.002	0.003	0.004	0.000
ΔCIT_{t-1}	0.491*	-0.128	0.396	0.073	0.957*
ΔCIT_{t-2}	0.592*	-0.067	0.101	-0.325	0.394
ΔEDT_{t-1}	-0.009	0.116	-0.182	-0.357	-0.015
ΔEDT_{t-2}	-0.006	0.112	-0.012	-0.175	-0.573
ΔPIT_{t-1}	0.104	-0.042	0.097	-0.079	-0.057
ΔPIT_{t-2}	0.082	-0.117	0.068	0.166	-0.006
ΔPPT_{t-1}	0.089	-0.040	0.269*	0.060	-0.023
ΔPPT_{t-2}	0.109	-0.092	-0.027	0.160	-0.028
R-sq.	0.291	0.299	0.455	0.234	0.295
Adj. R-sq.	0.186	0.174	0.166	0.174	0.180
F-statistic	0.772	0.802	1.574	0.574	0.787

Note: * and * indicate significance at 5% and 1% respectively. Source: Author's computation

The other aspect of the short-run VECM estimates is the direct effects of the lags of the variables on the individual variables, which show short-term transmissions among the variables. In particular, the results show that only the lags of CIT have any significant impact on GDP. The coefficients of all the other variables fail the test. These results therefore indicate that the direct effects of the direct tax components on the economic development variables are quite weak in the short run. Thus, there is evidence that although the long-run effects of direct tax components on economic growth are strong, those of short-run effects are weak and mostly insignificant. Among the tax variables, the short-run effects of other tax variables are also weak and insignificant. In general, the short-run VECM estimates show that the effects of taxes on economic growth are more long-term rather than short-term. This has implications for policymakers in terms of using taxation to drive economic growth in Nigeria.

4.7.2 The Forecast Error Variance Decomposition (FEVD)

The final set of analyses for the dynamic set-up of the VECM is the forecast error variance decomposition (FEVD). The results of the variance decomposition based on the estimated VECM where all variables are considered to be endogenous are reported in this section. As noted by Nguyen (2011,), Variance Decomposition "tells how much a given variable changes under the impact of its own shock and the shock of other variables." Therefore, the variance decomposition defines the relative importance of each random innovation in affecting the variables in the VECM. Table 4.9 presents the estimated forecast error variance decomposition of key variables in the study.

Table 4.18: FEVD Results

Period	**LGDP**	**EDT**	**PIT**	**PPT**	**CIT**
Variance decomposition of RGDP					
1	100.00	0.00	0.00	0.00	0.00
2	94.79	0.02	1.28	0.45	2.83
4	86.68	0.39	5.31	2.15	2.44
8	69.89	2.09	12.80	1.86	1.86
10	62.84	3.07	16.30	1.47	1.55

Source: Author's computations

In the decomposition of GDP, the results show the variable is explained mainly by itself within the shorter period (94.8 percent and 86.7 percent of the variances were explained by itself in the second and fourth periods respectively). It was after the fourth period that other variables were able to explain the considerable proportion of the variances in GDP. More prominently is the contribution of PIT, which explained variances in GDP for up to 13.9 percent and 16.3 percent respectively in the tenth period. This shows that PIT is the main variables that contribute to variances in GDP over time. More interestingly, the contributions of the tax variables to the variances in GDP are stronger. This shows that the tax components can also explain variances in economic growth over the years in Nigeria. Each of the tax components contributed significantly, with EDT contributing 6.64 percent to the variances in the tenth period, PPT contributing 8.0 percent in the tenth period, and CIT contributing 6.4 percent to the variances in the fourth period. In general, there is evidence that the direct tax variables contribute significantly to the variances in each of the economic growth variables.

4.8 Test of Hypotheses

There is no significant effect of Education tax, personal income tax, company income tax, and petroleum profit tax on real gross domestic product in Nigeria.

The hypothesis is tested based on the estimates from the VECM, especially the long-run estimates in Table 7. From the result, it is seen that the coefficients of EDT and CIT are significant at the 5 percent level, while those of PPT and PIT failed the significance test at the 5 percent level. Based on this outcome, the null hypothesis is rejected for education tax and company income tax, indicating that there is a significant effect of education tax and company income tax on real gross domestic product in Nigeria. The null hypothesis for personal income tax and petroleum profit tax however cannot be rejected. This implies that there are no significant effects of personal income tax and petroleum profit tax on real gross domestic product in Nigeria.

4.9 Discussion of Results

The results obtained from the empirical analysis provide the grounds for discussing important aspects of direct taxes on the economy. First, the result has shown that both company income tax and education tax have significant positive impacts on real GDP in the long run in Nigeria. Thus, the increased commitment of firms to tax obligations as well as increased tax commitment is shown to directly improve GDP growth over the long-term in Nigeria. There is evidence that Company Income Tax incentives in Nigeria are being applied to attract and retain local and foreign investors to engage in productive activities thereby increasing economic growth (Dickson & Rolle, 2014). The finding of the favorable impact of these direct taxes on economic growth is in line with previous studies by Fossati (2020), Levaggi and Menoncin (2020), and Hum (2020). The positive effects of CIT and EDT on real GDP also imply that taxation gives governments the resources needed to spend on public goods and infrastructure which results in higher productivity, innovation, and competitiveness. These are the main components for building long-term and sustainable growth in real GDP in a country (Babatunde et al, 2017).

Conclusion

The mobilization of tax revenue is an important policy objective for any government or economy in a drive to ensure sustained economic growth and development. In this study, the effect of direct tax components in the Nigerian fiscal system on economic growth was examined. It is argued that the role of direct taxes on the economy may be different from those of indirect taxes. Moreover, Nigeria is at a developmental stage where direct taxes (especially taxes related to income are expected to yield greater outcomes for fiscal revenues at all levels of government. In the study, economic growth is considered in terms of real GDP growth, four direct tax components are considered including company income tax, education tax, personal income tax, and petroleum profit taxes. Taxes used covered the period from 1970 to 2022, while e dynamic framework was devised for the analysis. Thus, the vector error correction (VECM) technique was adopted for the analysis. In general, there is evidence from the study that direct taxes are important for driving long-run economic growth in Nigeria. The conclusions findings are:

1. That company income tax and education tax have significant positive impacts on real GDP growth in Nigeria, while the effects of personal income and petroleum profit taxes are insignificant.

2. That the effects of taxes on economic growth are more long-term rather than short-term. While the short-run effects are mostly insignificant, the long-run effects are highly significant.

5.2 Recommendations

The findings of the study provide grounds for suggesting pertinent recommendations. First, the study shows that company income taxes and education taxes are critical for improving real GDP growth in Nigeria. This indicates that more streamlined tax systems are important for driving economic growth. There is therefore need to focus on company income taxes with improved administration. The tax system for companies must be designed and implemented in a way that will minimize distortions and tax administration inefficiencies taking into account the constraints that may arise from the tax administration.

Second, the dynamically divergent impacts of many of the factors on tax revenue effort show that there is a need for tax administrators to be cautious about the pattern of procedures and focus sectors in the Nigerian system. Tax rules aimed at certain sectors of the economy must take into cognizance both the long-run and short-run implications. Indeed, rules that are too narrowly applied in certain sectors may eventually become inimical for overall tax effort performance in the country over time. Thus, tax policies should be produced in well well-guided framework in terms of collection and participation.

5.3 Implication of the Study for Practice

Finally, the study has demonstrated that the effects of taxes on economic growth are more long-term rather than short-term. This has implications for policymakers in terms of using taxation to drive economic growth in Nigeria. Policymaking that focuses on the tax regime in the country must focus on long-term outcomes rather than short-term outcomes in the economy. Taxes should not be used to address short-run adjustments in the Nigerian economy.

5.4 Contribution to Knowledge

The goal of the research was to determine the effect of direct taxes on the Macroeconomy. Direct tax components were personal, company, petroleum, and education tax whilst Macroeconomic growth was measured by real gross domestic product The study contributes to knowledge by establishing the pattern of relationship between the variables and brings to the fore the variables that enhance economic growth and the factors that mitigate economic growth thus laying a foundation for proper policy fiscal policy formulation and administration of taxes.

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EVALUATION OF SALES BEHAVIOR BY CUSTOMERS IN THE CONTEXT OF SELECTED CHARACTERISTICS OF SALESPEOPLE

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ABSTRACT. Background: The research focuses on the psychological approach to the evaluation of sales behavior from the customers' perspective. In the context of sales behavior, it is essential to consider the approach of the seller, which is successful when sales are effective.
Aims: The aim of the contribution was to evaluate selected types of sales behavior from the perspective of customers in the context of interpersonal relationships. **Methods**: The research evaluated sales behavior from the customers' perspective, focusing on four distinct types of sales behavior: manipulative, involved, stressed, and assertive. The study utilized the DOS-Z methodology and the Interpersonal Adjective Scales (IAS). **Sample**: The research sample consisted of 203 respondents, employees from the public and private spheres. **Results**: The study found no significant differences in sales behavior perceptions between urban and rural customers, but women rated salespeople as more stressed. Manipulative, assertive, stressed, and engaged behaviors correlated with traits like dominance, warmth, extraversion, and with some negative associations such as assertiveness with arrogance and introversion with engagement. **Conclusions**: The study concludes that place of residence minimally impacts perceptions of sales behavior, while gender influences stressed behavior. Interpersonal traits significantly shape customer perceptions, emphasizing their role in positive experiences.

Keywords: sales behavior, customer, gender, residence

JEL Classification*:* M1, M3

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Introduction

We describe sales behavior as an activity strongly tied to the personality of the salesperson. The success of sales and customer satisfaction depends on the specifics and determinants identified on the salesperson's side. The success of sales and customer satisfaction depends on the specifics and determinants identified on the salesperson's side. Understanding sales behavior from the customers' perspective is a crucial component of effective business practice. Sales interactions not only shape the immediate success of a transaction but also influence long-term customer relationships and loyalty. In the competitive landscape of modern commerce, the seller's approach is a decisive factor in determining the effectiveness of sales efforts.

This study explores the psychological dimensions of sales behavior, emphasizing the interpersonal dynamics between sellers and customers. The research investigates how different types of sales behavior—manipulative, involved, stressed, and assertive—are perceived by customers. Furthermore, it examines the interplay between these sales behaviors and interpersonal characteristics, shedding light on key factors that influence customer evaluations.

Theoretical background

According to Saxe and Weitz (1982), customer-oriented behavior is defined as the seller's ability to help customers by engaging in behavior that enhances customer satisfaction. This behavior is also referred to as engaged sales behavior. Examples include actions such as attempting to help customers achieve their goals, discussing customer needs, and attempting to influence customers with information rather than pressure.

Stock and Hoyer (2005) examined the impact of customer-oriented attitudes and behavior on customer satisfaction. A customer-oriented approach is defined as the degree to which the seller is for or against customers. It involves issues such as affinity for customer contact and understanding the importance of customer orientation for both individuals and company performance. Peccei and Rosenthal (2000) hold a similar view, stating that instilling or reinforcing proactive approaches in service or direct sales employees is crucial because it is a significant path to achieving customer-oriented behavior.

Hakanen and Jaakkola (2012) state that creating solutions that meet customer needs requires salespeople to understand the customer's problem and expectations regarding the purchasing process. Effective co-creation of solutions with the customer requires salespeople to understand not only the customer's needs regarding the content of the most important solutions but also the customer's preferences regarding their role and control in the co-creation process.

Di Mascio (2010) examined the perception of customer service by front-line employees. The results suggest three distinct interpretations of customer service or service models: (1) effective and courteous provision of what customers demand; (2) means to achieve immediate sales results, such as sales quotas; and (3) creating mutually beneficial relationships with customers through problem-solving.

As Glazer and Liu (2017) point out, work stress negatively impacts individuals and their productivity. According to Oksanen and Ståhle (2013), a pleasant work environment has a significant impact on the well-being, creativity, attitudes, perceptions, and interactions of individuals with others. Sales, in general, ranks high on the list of stressful jobs, and in the daily life of a salesperson, many factors contribute to stress. Salespeople often find themselves in situations that create highly stressful environments (Johannson, 2018). According to Kempa et al. (2013), the stress that affects salespeople has both positive and negative aspects, and each salesperson perceives a different situation as a source of stress. As Johannson (2018) emphasizes, challenging situations should be a challenge and an opportunity for salespeople to grow and learn how to handle stress and difficult situations, which is a fundamental skill in the workplace.

Proactive sales behavior is manifested through an assertive, engaged approach by salespeople, effective, pleasant and polite communication, attention, respect, and mutual trust between the customer and the seller (Štefko et al., 2019). Engaged and assertive behavior is part of the concept of positive work psychology, defined by Seligman and Csikszentmihalyi (2000) as a scientific study of optimal employee performance aimed at discovering and supporting factors that allow employees and organizations to thrive. Joy (2016) argues that engagement has a positive impact on productivity and well-being at work, leading to a positive attitude of salespeople towards customers. Medhurst and Albrecht (2016) define assertiveness as an effort to address situations arising from customer requirements. The assertiveness of salespeople brings increased sales, happiness, satisfaction, fulfillment, well-functioning teams, self-confidence, credible sales demonstration, creativity, service quality to customers, and less stress. Garner (2012) adds that assertive, passionate, honest, and humble salespeople work on customer loyalty.

Manifestations of manipulative behavior can be observed in the field of business behavior. In the business environment, a variety of tools, principles, and approaches are used to influence and manipulate customers (Daňková, Droppa, 2015; Sunstein, 2016). Braiker (2004) sees manipulation as a social impact aimed at changing customer decisions using various tactics. This may include distorting information about products and services, unclear arguments, unfair compliments, and unwillingness to help. Unethical practices perceived by dissatisfied customers cause greater harm than the short-term benefits of one-time sales (Dooley 2011).

Birknerová and Kovaľová (2017; 2018; 2020) examined sales behavior from the customer's perspective based on selected determinants of sales behavior. They included assertive and engaged behavior of salespeople among prosocial, i.e., desirable forms of behavior. Manipulative behavior and behavior in stressful situations were assigned to undesirable forms of business behavior. Whether a salesperson behaves manipulatively is also related to adherence to ethical principles. Hansen and Riggle (2009) point out that customers have a more favorable attitude toward salespeople they perceive as ethical. Consequently, it is more likely that customers will exhibit their desired behavior with such salespeople. The degree of emphasis that a customer places on the ethics of a salesperson is related to the customer's age. The older the customer, the more they care about the ethics of the salesperson.

Gurtman and Pincus (2000) examined the appropriateness of the IAS model from various perspectives, tested various versions of the model, and applied various methods. The results of these analyses support the IAS models. The results were obtained from three models that differed in assumptions and were associated with different analytical methods.

Kincl et al. (2004) argue that consumer behavior is the result of influences that can be individual, microsocial, or macrosocial. Individual influences on consumer behavior consist of the psychological processes of an individual, states, and traits acquired through experiences that form their personal history. Microsocial influences are shaped by small groups connected to the individual throughout their life, which have a significant impact on them. These conditions are also referred to as group conditions. Macrosocial influences are equally important in consumer behavior as they are linked to cultural patterns and civilizational behavior models that the individual strives to follow. These conditions are also known as societal conditions.

According to Flešková and Dolinská (2010), several factors influence consumer behavior. Their impact on the decision-making process is evident in the purchasing process. These groups of factors primarily include cultural factors, social and marketing factors, personal factors, and psychological factors.

Cultural factors are transmitted from generation to generation, dynamic in nature, changing with societal changes, and thereby influencing consumer behavior during purchases. Cultural factors are a significant determinant of human behavior in society (Richterová et al., 2015).

Methodology

Mažár (2019) notes that the goal of every merchant is to establish a positive relationship with customers, fostering customer loyalty, forgiveness for any potential mistakes, and gaining a new chance in case of minor failures.

The conducted research focuses on the psychological approach to the evaluation of sales behavior from the customers' perspective. In the context of sales behavior, it is essential to consider the approach of the seller, which is successful when sales are effective.In the context of sales behavior, it is essential to consider the approach of the seller, which is successful when sales are effective.

The research sample comprised 203 respondents aged 17 to 45 (M=25.458, SD=3.482), with 126 women and 77 men. The sample included 130 respondents living in urban areas and 73 respondents residing in rural areas. Regarding education, 91 respondents completed secondary education, 51 respondents completed tertiary education at the bachelor's level, 58 respondents completed tertiary education at the master's level, and three respondents completed tertiary education at the doctoral level.

The DOS-Z methodology by Kovaľova and Birknerová (2019) assessed four types of sales behavior from the customers' perspective, with determinants evaluated on a 6-point scale (1 - definitely no, 6 - definitely yes). Items 1-12 analyzed the manipulative business behavior of sellers, items 13-24 assessed the involved business behavior of sellers and their awareness, items 25-36 analyzed the stressed business behavior of sellers, and items 37-48 assessed the assertive business behavior of sellers.

Examples of items related to each type of sales behavior:

- Manipulative business behavior of sellers: "I can defend myself against manipulative behavior in the store."
- Involved business behavior of sellers: "I positively evaluate the high involvement of the seller."
- Stressed business behavior of sellers: "I am nervous when served by a stressed salesperson."
- Assertive business behavior of sellers: "I feel better about shopping if the seller respects my opinion on the product (Birknerová, Kovaľová, 2017)."

The Interpersonal Adjective Scales (IAS), authored by Wiggins (1991), measured the level of interpersonal relationships. The methodology contains 24 traits characterizing individuals' behavior in interpersonal relationships, rated on an 8-point scale (1 - this trait describes me completely to 8 - this trait does not describe me at all). The methodology was designed for customers to assess the interpersonal behavior of sellers with whom they had personal contact. The reliability of the methodology was at Cronbach's alpha=0.812.

Results

The main objective of the research study was to evaluate various types of sales behavior from the customers' perspective in the context of interpersonal relationships. The research results were processed using the IBM SPSS 20.00 Statistics program, employing a t-test for independent samples.

Using the t-test for independent samples, the four types of sales behavior from the customers' perspective were compared based on their place of residence (Table 1).

Table 1 Comparison of Types of Sales Behavior from Customers' Perspective Based on the Residence of Respondents

Independent Variable	Residence	N	Mean	St. Dev.	t	Degrees of Freedom	p-value
Manipulative Behavior	City	130	3.952	0.553	0.274	201	0.784
	Rural	73	3.930	0.509			
Engaged Behavior	City	130	3.819	0.810	-0.701	201	0.484
	Rural	73	3.900	0.753			
Stressed Behavior	City	130	4.074	0.645	0.610	201	0.543
	Rural	73	4.019	0.561			
Assertive Behavior	City	130	4.609	0.745	-0.365	201	0.716
	Rural	73	4.650	0.788			

Source*: Own processing*

The results of the analysis did not show statistically significant differences in the level of manipulative, engaged, stressed, and assertive behavior of salespeople from the customers' perspective based on the customers' place of residence. Based on the research results, it can be concluded that customers from the city do not differ from customers from rural areas in the assessment of individual types of sales behavior of salespeople. Gender differences in the assessment of sales behavior of salespeople by customers were investigated using the t-test for independent samples (Table 2).

Table 2 Comparison of Types of Sales Behavior from Customers' Perspective Based on the Gender of Respondents

Independent Variable	Gender	N	Mean	Standard Deviation	t	Degrees of Freedom	p-value
Manipulative Behavior	Women	126	3.957	0.553	-0.436	201	0.664
	Men	77	3.923	0.509			
Assertive Behavior	Women	126	3.923	0.756	-0.351	201	0.726
	Men	77	3.923	0.769			
Stressed Behavior	Women	126	4.599	0.575	-3.130	201	0.020
	Men	77	4.638	0.645			
Engaged Behavior	Women	126	3.836	0.752	0.255	201	0.799
	Men	77	3.865	0.850			

Source*: Own processing*

The analysis revealed statistically significant gender differences in the assessment of stressed behavior by customers (p=0.002). It was found that women tended to rate the salesperson's behavior as more stressed to a higher degree. On the other hand, statistically significant gender differences were not demonstrated in the assessment of manipulative, assertive, and engaged behavior of salespeople by customers.

The correlations between various types of sales behavior of salespeople and interpersonal adjectives assessed by customers were examined using the Pearson correlation coefficient (Table 3).

Table 3 Correlation between the Assessment of Various Types of Sales Behavior and Interpersonal Characteristics of Salespeople by Customers

Interpersonal Characteristics	Manipulative Behavior	Assertive Behavior	Stressed Behavior	Engaged Behavior
Dominant	R=0.179*	R=0.242**	R=0.150*	R=0.132
	p=0.011	p=0.001	p=0.033	p=0.060
Arrogant	R=0.026*	R=0.202**	R=0.060	R=0.030
	p=0.715	p=0.004	p=0.397	p=0.668
Cold	R=0.015	R=0.247**	R=0.209**	R=0.125
	p=0.834	p=0.000	p=0.003	p=0.075
Introverted	R=0.080	R=0.077	R=0.031	R=0.140*
	p=0.255	p=0.276	p=0.660	p=0.047
Submissive	R=0.099	R=0.290**	R=0.022	R=0.122
	p=0.160	p=0.000	p=0.755	p=0.082
Witty	R=0.120	R=0.191**	R=0.135	R=0.139*
	p=0.088	p=0.006	p=0.055	p=0.048
Warm	R=0.191**	R=0.246**	R=0.225**	R=0.153
	p=0.006	p=0.000	p=0.001	p=0.029
Extroverted	R=0.211**	R=0.281**	R=0.003	R=0.182**
	p=0.002	p=0.000	p=0.962	p=0.009

Note: *p≤0.05; **p≤0.01
Source*: Own processing*

The analysis results confirmed statistically significant correlations between the assessment of manipulative sales behavior and the assessment of interpersonal characteristics by customers. Specifically, a positive statistically significant relationship was confirmed between manipulative behavior and dominance, warmth, and extroversion.

Similarly, statistically significant correlations were demonstrated between the assessment of assertive sales behavior and the assessment of interpersonal characteristics by customers. Specifically, a positive statistically significant relationship was confirmed between assertive sales behavior and dominance, wit, and extroversion. On the other hand, a negative statistically significant relationship was confirmed between assertive sales behavior and characteristics such as arrogance, coldness, and submissiveness, indicating that the higher the level of assertive behavior of the salesperson, the less arrogant, cold, and submissive they appear to the customer.

The results of the analysis also showed statistically significant correlations between the assessment of stressed sales behavior and the assessment of interpersonal characteristics by customers. Specifically, a positive statistically significant relationship was confirmed between stressed sales behavior and a warm approach. On the other hand, a negative statistically significant relationship was found between stressed sales behavior and the interpersonal characteristic of dominance, indicating that the higher the level of stressed behavior of the salesperson, the less dominant they appear to the customer.

Based on the Pearson correlation coefficient, statistically significant correlations were demonstrated between the assessment of engaged sales behavior and the assessment of interpersonal characteristics by customers. Specifically, a positive statistically significant relationship was confirmed between engaged sales behavior and wit, warmth, and extroversion. On the other hand, a negative statistically significant relationship was found between engaged sales behavior and the interpersonal characteristic of introversion, indicating that the higher the level of engaged behavior of the salesperson, the less introverted they appear to the customer. This research finding was also confirmed by the positive correlation between engaged sales behavior and the interpersonal characteristic of extroversion.

Discussion and Conclusion

In the discussion, the research results are compared with previous studies in the field of sales behavior. The evaluation of sales behavior and interpersonal characteristics of salespeople by customers was investigated.

Demographic variables significantly contribute to explaining phenomena in the field of marketing and sales (Pol, 1991). For this reason, two socio-demographic characteristics, specifically place of residence and gender, were used in the study. The analysis results did not show statistically significant differences in the level of manipulative, engaged, stressed, and assertive behavior of traders from the customers' perspective regarding the customers' place of residence. Based on the research results, it can be concluded that customers from urban areas do not differ from customers from rural areas in the assessment of individual types of sales behavior.

The analysis results demonstrated statistically significant gender differences in assessing stressed behavior by customers ($p=0.002$). It was found that women rated the sales behavior of the trader as more stressed to a higher extent. On the other hand, statistically significant gender differences were not confirmed in the assessment of the manipulative, assertive, and engaged behavior of traders by customers.

The assessment of the interpersonal characteristics of traders from the customers' perspective was the subject of the research. Based on the research results, a positive statistically significant relationship was confirmed between manipulative behavior and dominance, warmth, and extraversion. Birknerová and Kovaľová (2017) in their research state that the manipulative sales behavior of traders, associated with the experience of negative emotions by customers, as well as the feeling of pressure to buy, positively correlates with stressful sales behavior. This behavior is characterized by a negative atmosphere where the customer feels discomfort because the salesperson transfers signs of stress to the customer. The stressful shopping environment associated with manipulative elements of traders' sales behavior can disturb customers, often leading them to leave the store. Based on the research findings, it can be stated that customers from the city do not differ from customers from the countryside in assessing individual types of sales behavior.

The assessment of the interpersonal characteristics of traders from the customers' perspective was a secondary subject of the research. Based on the research results, a positive statistically significant relationship was confirmed between manipulative behavior and dominance, warmth, and extraversion. Birknerová and Kovaľová (2017) in their research state that the manipulative sales behavior of traders, associated with the experience of negative emotions by customers, as well as the feeling of pressure to buy, positively correlates with stressful sales behavior. This behavior is characterized by a negative atmosphere where the customer feels discomfort because the salesperson transfers signs of stress to the customer. The stressful shopping environment associated with manipulative elements of traders' sales behavior can disturb customers, often leading them to leave the store. Based on the research findings, it can be stated that customers from the city do not differ from customers from the countryside in assessing individual types of sales behavior.

The study's limitations include a relatively small sample size (203 respondents) with a younger age distribution, potentially limiting the generalizability of findings. Its focus on a specific cultural and regional context further restricts applicability to other settings. The reliance on self-reported data through the DOS-Z and IAS methodologies may introduce bias, and the study’s cross-sectional design does not capture changes over time. Additionally, the research examined only four types of sales behavior, omitting other factors like non-verbal communication or environmental influences, and did not explore the long-term impact of sales behaviors on customer loyalty or satisfaction.

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INFLUENCES OF PERSONAL CHARACTERISTICS ON TRAVEL MOTIVES OF SLOVAK WOMEN ABROAD

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ABSTRACT. Background: The sustainability of tourist destinations and tourism businesses relies on identifying markets supporting long-term growth. Success depends on understanding the needs of potential consumers and adapting to trends and shifts in source market conditions. This adaptability is key to ensuring continued development and competitiveness. **Aims:** This paper aims to find which motives are important to Slovak women when traveling abroad and which characteristics of women cause differences in the perceived importance of motives when traveling abroad. **Methods:** We use the Mann-Whitney U test and the Kruskal-Wallis test to verify three hypotheses. We consider generation, parental status, and marital status as group characteristics. **Sample:** The research sample consists of 232 Slovak women. **Results:** The results showed differences between groups for some motives. **Conclusions:** The study reveals that age, parental status, and marital status significantly influence women's travel motivations, offering valuable insights for the travel industry to develop tailored, generation-specific, and life-stage-sensitive marketing strategies to enhance the travel experience. **Implications:** Understanding these differences can help cater to diverse needs, ensuring more personalized and satisfying travel experiences.

Keywords: motivation, women, tourism

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Introduction

Tourism is one of the most promising and dynamic industries in the world (Streimikiene et al., 2020). Travel and tourism activities essentially involve individuals moving from one place to another or moving from one destination to another, from familiar surroundings to a newer and more refreshing atmosphere, from one country to another, from psychological/self-stress factors to opportunities for relaxation, from desires to fulfillment, and then from different expectations to frustration (Beeton, 2015). Tourism practitioners and scholars have always been interested in the motivational forces that drive tourism consumption (Khalilzadeh, Kozak & Chiappa, 2024). Crompton (1979) noted that it is possible to describe who, when, where, and how of tourism, but it is more difficult to answer the question Why?

The motive to travel is caused by the satisfaction of emotional and cognitive needs (Ab Dulhamid et al., 2022). Motivation in tourism is only one of the variables that explain tourist behavior, but it is considered one of the most important factors (Katsikari et al., 2020) because it is the driving force or activator of any behavior or tourist activities (Zhang et al., 2023).

The motives of tourism participants are diverse because they are the result of different needs and interests arising from their social context. The general categories of tourism participants' motives can be derived by identifying the more general goals towards which their tendencies are directed (Vašaničová, 2018).

This paper aims to find which motives are important to Slovak women when traveling abroad and which characteristics of women cause differences in the perceived importance of motives when traveling abroad.

The remainder of this paper is organized as follows. In the next section, we provide a theoretical background. Next, we present methodology, i.e., research intent, methods and material. The presentation of the results and a discussion follow. The final section summarizes our findings, the limitations of our research, and possibilities for future research.

Theoretical background

Tourism must cope with various tourist behaviors and internal or external forces that significantly influence these behaviors. The industry is considered to be very vibrant and includes travel for pleasure, leisure, visiting friends and family, pilgrimages, and other related activities. The needs of tourists are constantly evolving and vary considerably between individuals. Therefore, planners must continually adapt their offerings to tourists' needs, wants, and expectations according to age, gender, lifestyle, education, and income. As society evolves and the use of technology evolves, so do the needs of consumers (Yousaf et al., 2018).

Levytska (2019) states that human travel needs are the sum of human conditions that trigger ideas of active leisure and willingness to travel to different regions or countries. A person's travel needs can be divided into primary, secondary, and additional needs. Primary needs are related to satisfying the desire to realize the main objective of travel, e.g., to get ideas about new places, to have fun, to use resort services, to get to know historical sites, to be part of conference activities, etc. Secondary needs for the tourism participant are associated with the delivery to leisure places and the creation of activities for a person during travel. The additional needs of the tourist participant are limited to the possibility of buying souvenirs, indirect household services, personal transport services, etc.

Tourist attractions must have four key components known as the 4A's: Attraction, Accessibility, Amenities, and Ancillary services. Attraction refers to things that can attract the tourist's interest in visiting a destination, i.e., natural, cultural, and man-made features. Accessibility refers to the means of reaching the tourist attraction, including land, sea, and air transport, as well as telephone and internet networks that must be available at the tourist destination. Amenities refer to accommodation establishments. Ancillary services refer to the additional services that support tourism activities in a tourist destination, including management institutions and tourist information centers (Mohamad & Som, 2010).

Motivation comes from the Latin word "movere," meaning to move or propel. Motivation is a key component because it supports human behavior, acting as a cause, channel, and driver of actions (Wikantini, Puspa & Perbowosari, 2024).

The relationship between travel needs and motivation demonstrates that when individuals identify a desire to travel, they first recognize their travel needs, expectations, and perceptions of attractive destinations. It initiates a process where they seek and gather information through various sources, such as newspapers, magazines, websites, or service vendors, which leads to the formation of travel motivation. Ultimately, this motivation drives them to act on their travel plans, fulfilling psychological satisfaction and addressing their needs (Swain & Mishra, 2011).

The motives for travel can be categorized into several factors, each reflecting different aspects of human desires and needs. Pearce (2005) identified fourteen tourist motivation factors associated with different motives. According to Vašaničová (2018), they can be described as follows:

1. Novelty involves the pursuit of fun, discovering new experiences, enjoying unique atmospheres, and visiting places that match personal interests.
2. Strengthening relationships focuses on spending quality time with family, friends, and colleagues, fostering connections with loved ones, and maintaining relationships with people living in other places.
3. The relationship (security) factor emphasizes feeling safe, being surrounded by respected individuals, meeting like-minded people, and experiencing a sense of belonging.
4. Autonomy highlights the desire to act independently and follow one's own ideas.
5. Stimulation reflects the thrill of exploring the unknown, experiencing excitement and risk, and engaging in adventurous and spontaneous activities.
6. Self-development (host involvement) includes learning new things, experiencing different cultures, meeting new people, expanding knowledge about a destination, and interacting with locals.
7. Self-development (personal involvement) focuses on developing personal interests, discovering abilities, building self-confidence, and improving talents.
8. Self-actualization involves gaining a new perspective on life, achieving inner harmony, understanding oneself better, expressing creativity, and working on personal or spiritual values.
9. Nature is a factor for those who admire scenic beauty, seek closeness to nature, and desire to live in harmony with the natural world.
10. Escape and relaxation encompass the need for rest, escaping daily stress, breaking routines, and letting the mind unwind.
11. Isolation provides peace, personal space, freedom from pressure, and an opportunity to enjoy solitude away from crowds.
12. Nostalgia involves reflecting on cherished memories and remembering the past with a sense of fondness.
13. Romance focuses on fostering romantic relationships and spending time with a partner.
14. Recognition involves sharing experiences and knowledge with others, demonstrating skills, gaining recognition, and leading or influencing others.

Ab Dulhamid et al. (2022) divide tourist motivation into four main categories: cultural motivation, which reflects personal desire; physical motivation, which pertains to physical ability; interpersonal motivation, which involves seeking new experiences; and learning and prestige motivation, which relates to self-development.

Many motivation theories have been proposed to understand better the psychological reasons for engaging in tourism. The push and pull dimension of tourism motivation is the one that researchers have explored most extensively (Pestana et al., 2020). Push and pull factors of travel motivation are among the most researched topics to understand the drivers of travel intentions (Pektaş, 2022).

Two factors act as the main components of the tourism sector: tourist and destination. To act as a tourist, one must have some motivation to travel. On the other hand, the destination that the tourist intends to visit should have natural or man-made attributes. The tourist's motivation to visit the destination acts as a push factor for tourism, and the destination's attributes act as a pull factor for tourism (Sandeep 2019).

Push motivators are factors motivating or creating an intangible or intrinsic desire of individual travelers to go on vacation. On the other hand, pull motivators are resources and tourists' actual perceptions and expectations of certain features, attractions, or attributes. Therefore, they play an important role in destination selection after the decision to travel has been made (Susanti, 2021).

Gautam (2021) describes push and pull motivators in greater detail. Push factors refer to natural or intrinsic desires or needs that prompt individuals to travel. These are social and psychological in nature, arising from within the individual, and are associated with the desire for rest, leisure, recreation, spending time with family and friends, or even taking weekend trips. Psychological and physiological imbalances play a significant role in driving these motivations. Pull factors, on the other hand, are based on the destination's attractiveness, particularly the facilities and amenities it provides to tourists, such as suitable accommodation, restaurants, and entertainment options. While pull factors largely depend on external forces and objectives, they can also stimulate and activate push factors.

The push and pull factors coincide with the final decision and travel experience.

Methodology

Research Intent

The paper aims to find which motives are important to Slovak women when traveling abroad and which characteristics of women cause differences in the perceived importance of motives when traveling abroad. Based on the aim, we formulate three research hypotheses:

- Hypothesis 1: There is a statistically significant difference among generations in the level of women's motivation when traveling abroad within at least one of the motives.
- Hypothesis 2: There is a statistically significant difference between childless women and women with at least one child in the level of women's motivation when traveling abroad within at least one of the motives.
- Hypothesis 3: There is a statistically significant difference among women by marital status in the level of women's motivation when traveling abroad within at least one of the motives.

Method

We tested the hypotheses using non-parametric statistical methods, specifically the Kruskal-Wallis test and the Mann-Whitney U test. The Kruskal-Wallis test was employed to determine whether there were statistically significant differences between more than two independent groups, as this test is particularly suitable when the assumption of normality is not met. Following this, we used the Mann-Whitney U test for pairwise comparisons between groups to identify where the differences occurred. This test is appropriate for comparing two independent groups when the data do not follow a normal distribution. Both tests were chosen for their ability to provide reliable results without requiring strict parametric assumptions. In addition to inductive statistical methods, we employed descriptive statistics to summarize and characterize the data. Descriptive statistics provided a clear overview of the distribution of variables. The statistical software Statistica 14 is used to perform the mentioned tests and other calculations.

Material

Data were obtained using an unstructured questionnaire, which was distributed electronically among Slovak women from October 2023 to December 2023. The questions asked in the questionnaire necessary to verify the research hypotheses were: "On a scale from 1 (the least) to 5 (the most), indicate to what extent the given motives (relaxation and free time, getting to know a new culture, fun and entertainment, visit to relatives and friends, sport, education, pilgrimage, treatment and healthcare, business) are important to you when traveling abroad".

Only women who prefer outbound (foreign) tourism to inbound (domestic) tourism were included in the research. The research sample consists of 232 Slovak women. Their average age was 33 (median was 33, standard deviation was 10.963), the youngest participant was 18 years old, and the oldest woman was 57 years old. According to the variable "generation", 25.00% of the respondents belonged to Generation X (*X*), 37.50% to Generation Y (*Y*), and 37.50% to Generation Z (*Z*).

According to the variable "marital status", 32.33% of single women (*Sin*), 25.43% of women in a relationship (*Rel*), 34.91% of married women (*Mar*), and 7.33% of divorced women (*Div*) participated in the research. According to the variable "parental status", 63.36% of women were childless, and 36.64% had at least one child. The representation of women by Slovak regions (according to NUTS III) is as follows: 8.19% from Banska Bystrica Region, 23.28% from Bratislava Region, 8.62% from Kosice Region, 8.62% from Nitra Region, 16.38% from Presov Region, 8.19% from Trnava Region, 13.79% from Trencin Region, and 12.936% from Zilina Region.

Results

Research participants were asked to indicate, on a scale from 1 (the least) to 5 (the most), to what extent the given motives are important to them when traveling abroad. The results showed (see Table 1) that relaxation is the most important motive. If we consider the designation of options 5 and 4 in the questionnaire, this motive is important for more than 87% of women. Culture (getting to know a new culture) is another important motive (for more than 84% of women). The motive of fun and entertainment also plays an important role (for more than 53% of women). On the other hand, when traveling abroad, women gave the lowest weight to motives of pilgrimage (more than 81%), treatment (healthcare) (more than 82%), and business (more than 85%). We also see low values for motives of education, sport, and visits to relatives and friends. In Table 1, we also present descriptive characteristics computed from the answers to questions on individual motives.

Table 1. Motives important when traveling abroad

Motive	1	2	3	4	5	Mean	Median	S.D.
Relax, free time	1.29%	0.86%	10.78%	23.71%	63.36%	4.47	5	0.821
Fun, entertainment	5.60%	11.64%	29.31%	25.86%	27.59%	3.58	4	1.170
Sport	37.50%	23.28%	21.98%	10.78%	6.47%	2.25	2	1.245
Pilgrimage	70.69%	10.34%	10.78%	3.88%	4.31%	1.61	1	1.100
Business	66.38%	18.97%	10.78%	2.59%	1.29%	1.53	1	0.882
Treatment, healthcare	63.36%	18.97%	12.50%	2.59%	2.59%	1.62	1	0.977
Education	46.55%	23.71%	18.97%	5.60%	5.17%	1.99	2	1.162
Culture	0.86%	3.02%	11.64%	30.60%	53.88%	4.34	5	0.862
Relatives, friends	34.48%	18.10%	17.24%	13.79%	16.38%	2.60	2	1.483

Note: *S.D. denotes standard deviation, column headings from 1 to 5 indicate a scale from 1 (the least) to 5 (the most).*

Next, we verify the research hypotheses.

Results in Table 2 show that differences among generations in the level of women's motivation to travel abroad were found for two motives (p-values lower than 0.05 are highlighted in bold). The Kruskal-Wallis test did not tell exactly where those differences lie. Therefore, we run Tukey's Honest Significant Difference (HSD) test to find which specific group's means (compared with each other) are different.

Table 2. Hypothesis 1 testing (Generation) – Kruskal-Wallis test

Motive	MR X	MR Y	MR Z	H	p-value
Relax, free time	119.2	115.2	116.0	0.179	0.9143
Fun, entertainment	85.0	115.9	138.1	23.354	**0.0000**
Sport	118.9	118.0	113.4	0.338	0.8444
Pilgrimage	101.4	121.9	121.2	6.072	0.0501
Business	113.9	110.5	124.3	2.784	0.2485
Treatment, healthcare	117.0	116.8	115.9	0.017	0.9916
Education	106.8	108.4	131.0	7.422	**0.0245**
Culture	111.0	114.2	122.4	1.427	0.4899
Relatives, friends	103.5	114.9	126.8	4.555	0.1025

Note: *MR means Mean Rank; X, Y, and Z denotes generations X, Y, and Z; H denotes test statistics.*

Results in Table 3 show that considering the motive "fun, entertainment", the differences in the level of women's motivation when traveling abroad are between generation X and Z, X, and Y. Considering the motive "education", the differences in the level of women' motivation when traveling abroad are between generation Y and Z. We confirm hypothesis 1.

We report descriptive statistics for each generation for two significant motives in Table 4. The results showed that Generation Z considers the mentioned motives (fun, entertainment and education) the most important. On the other hand, these motives are the least important for Generation X.

Table 3. Hypothesis 1 testing (Generation) – Tukey's HSD test

	Fun, entertainment			Education		
	Generation			Generation		
Generation	X	Y	Z	X	Y	Z
X		**0.0168**	**0.0000**		0.9856	0.0522
Y	**0.0168**		0.0762	0.9856		**0.0219**
Z	**0.0000**	0.0762		0.0522	**0.0219**	

Note: *X, Y, and Z denote generations X, Y, and Z.*

Table 4. Hypothesis 1 testing (Generation) – Descriptive statistics

	Fun, entertainment			Education		
Generation	**Mean**	**Median**	**S.D.**	**Mean**	**Median**	**S.D.**
X	3.0172	3	1.1621	1.7931	1	1.0218
Y	3.5862	4	1.0843	1.8276	1	1.0478
Z	3.9540	4	1.1197	2.2874	2	1.3021

Note: *X, Y, and Z denote generations X, Y, and Z; S.D. denotes standard deviation.*

Results in Table 5 show that statistically significant differences between childless women and women in the level of women's motivation when traveling abroad were found for four motives (p-values lower than 0.05 are highlighted in bold), specifically, the motive of pilgrimage, business, education, and visits to relatives and friends. We confirm hypothesis 2.

Table 5. Hypothesis 2 testing (Parental status) – Mann-Whitney U test

Motive	**RS Childless**	**RS With Child**	**U**	**Z–adjusted**	**p-value**
Relax, free time	17815.5	9212.5	5557.5	1.6372	0.1016
Fun, entertainment	17929.0	9099.0	5444.0	1.6862	0.0918
Sport	17040.5	9987.5	6162.5	-0.1786	0.8582
Pilgrimage	17931.0	9097.0	5442.0	2.0361	**0.0417**
Business	17984.5	9043.5	5388.5	2.0841	**0.0372**
Treatment, healthcare	17441.5	9586.5	5931.5	0.7462	0.4555
Education	18596.0	8432.0	4777.0	3.1838	**0.0015**
Culture	17793.5	9234.5	5579.5	1.5027	0.1329
Relatives, friends	18465.5	8562.5	4907.5	2.8035	**0.0051**

Source: *own calculations.*

We can assess the specific differences considering the mean values in Table 6. For given motives, when we compare mean values between groups, a higher mean value indicates a higher level of motivation. For each of the motives considered (pilgrimage, business, education, and visit to relatives and friends), we see a higher value for the group of childless women. Moreover, we see that the importance of these motives is low.

Table 6. Significant differences related to parental status – Descriptive statistics

	Pilgrimage		Business		Education		Relatives, friends	
Gender	**Childless**	**Child**	**Childless**	**Child**	**Childless**	**Child**	**Childless**	**Child**
Mean	1.7007	1.4471	1.6054	1.4118	2.1769	1.6706	2.8027	2.2353
Median	1	1	1	1	2	1	3	2

Source: *own calculations.*

Results in Table 7 show that differences among women by marital status in the level of women's motivation when traveling abroad were found for four motives (p-values lower than 0.05 are highlighted in bold). We confirm hypothesis 3. The Kruskal-Wallis test did not tell exactly where those differences lie. Therefore, we run Tukey's Honest Significant Difference (HSD) test to find which specific group's means (compared with each other) are different.

Table 7. Hypothesis 3 testing (Marital status) – Kruskal-Wallis test

Motive	MR Sin	MR Rel	MR Mar	MR Div	H	p-value
Relax, free time	117.8	113.9	112.5	138.8	3.1183	0.3737
Fun, entertainment	125.0	129.8	102.6	99.4	8.6584	**0.0342**
Sport	129.2	93.6	125.0	99.3	12.9835	**0.0047**
Pilgrimage	126.8	110.6	113.8	104.5	4.4970	0.2126
Business	126.5	111.7	112.9	106.0	3.7415	0.2908
Treatment, healthcare	125.7	100.4	118.7	121.1	6.7245	0.0812
Education	143.8	97.4	105.7	114.1	21.9524	**0.0001**
Culture	123.3	112.4	110.5	129.6	2.8319	0.4183
Relatives, friends	138.6	103.3	107.2	109.1	12.9903	**0.0047**

Note: *MR means Mean Rank; Sin, Rel, Mar, and Div denote marital status Single, in Relationship, Married, and Divorced; H denotes test statistics.*

Results in Table 8 show that considering the motive of "fun and entertainment ", the differences in the level of women's motivation when traveling abroad were observed between single women and those who are married, in a relationship, or divorced. Regarding the "sport "motive, differences in motivation levels were found between single women and those in a relationship. For the "education "motive, differences in motivation levels were noted between single women and those who are in a relationship, as well as between single women and those who are married. Lastly, when considering the motive of "relatives and friends ", differences in motivation were observed between single women and those in a relationship, as well as between single women and married women. We report descriptive statistics for each marital status for four significant motives in Table 9.

Table 8. Hypothesis 3 testing (Marital status) – Tukey's HSD test

	Fun, entertainment				Sport			
	Marital status				Marital status			
Marital status	Sin	Rel	Mar	Div	Sin	Rel	Mar	Div
Sin		0.5835	**0.0381**	0.1718		**0.0214**	0.9608	0.5521
Rel	0.5835		**0.0127**	**0.0934**	**0.0214**		0.0710	0.9961
Mar	**0.0381**	**0.0127**		0.8990	0.9608	0.0710		0.7002
Div	0.1718	**0.0934**	0.8990		0.5521	0.9961	0.7002	
	Education				**Relatives, friends**			
	Marital status				**Marital status**			
Marital status	Sin	Rel	Mar	Div	Sin	Rel	Mar	Div
Sin		**0.0008**	**0.0010**	0.6168		**0.0335**	**0.0209**	0.5555
Rel	**0.0008**		0.9626	0.8359	**0.0335**		0.9984	0.9989
Mar	**0.0010**	0.9626		0.9384	**0.0209**	0.9985		0.9999
Div	0.6168	0.8359	0.9384		0.5555	0.9989	0.9999	

Note: *Sin, Rel, Mar, and Div denote marital status Single, in Relationship, Married, and Divorced.*

Table 9. Hypothesis 3 testing (Marital status) – Descriptive statistics

	Fun, entertainment			Sport		
Marital status	**Mean**	**Median**	**S.D.**	**Mean**	**Median**	**S.D.**
Sin	3.7200	4	1.1690	2.4933	2	1.2774
Rel	3.8305	4	1.1010	1.8475	1	1.1569
Mar	3.3333	3	1.1832	2.3951	2	1.2215
Div	3.2941	3	1.1600	1.9412	2	1.1974
	Education			**Relatives, friends**		
Marital status	**Mean**	**Median**	**S.D.**	**Mean**	**Median**	**S.D.**
Sin	2.4667	2	1.2339	3.0667	3	1.3590
Rel	1.6780	1	1.0412	2.3390	2	1.5493
Mar	1.7778	1	1.0124	2.3827	2	1.4626
Div	2.0000	2	1.3229	2.4118	2	1.5024

Note: *Sin, Rel, Mar, and Div denote marital status Single, in Relationship, Married, and Divorced. S.D. denotes standard deviation.*

The results showed that of the significant motives listed above, fun entertainment is the most important motive for women in a relationship when traveling abroad. Sports, education, and visiting relatives and friends are the most important motives for single women when traveling abroad. These three motives are the least important for women in a relationship.

Discussion

Our results highlight that women prioritize relaxation, cultural exploration, and entertainment when traveling abroad, while practical or purpose-driven motives like business, healthcare, or education are less influential.

The analysis related to hypothesis 1 reveals generational differences in women's travel motivations, with significant findings for the motives of "fun and entertainment" and "education". The level of motivation for "fun and entertainment" differs significantly between Generation X and Generation Z, as well as between Generation X and Generation Y. This finding suggests that Generation X women may prioritize this motive less than younger generations, potentially due to differing lifestyle preferences, responsibilities, or travel expectations. Differences were observed between Generation Y and Generation Z regarding the motivation for education. This may indicate that Generation Z women place a higher or lower emphasis on education-related travel compared to Generation Y, potentially reflecting shifts in how education is pursued or valued across generations.

Understanding the motivation and behavior of tourists in relation to different generations has been a topic of interest in pre-existing studies, e.g., Dotson, Clark, and Dave (2008); Rita, Brochado, and Dimova (2019); Kim and Kim (2020); Krishnapillai and Kwok (2020); Octaviany and Mardiyana (2024). These studies provide a foundation for examining the nuanced ways in which age-related factors shape tourism behaviors.

The analysis related to hypothesis 2 shows significant differences in travel motivations between childless women and women with children for four specific motives:

- Pilgrimage: The greater motivation for pilgrimage among childless women could indicate a stronger focus on self-discovery or spiritual exploration, which may be deprioritized by women with children due to family-centered travel demands.
- Business: Childless women may be more likely to engage in business travel, perhaps because they can accommodate work-related travel more efficiently without the responsibilities associated with childcare.
- Education: The difference in educational motives could reflect the ability of childless women to invest time and resources in personal growth through travel, contrasting with women with children who might prioritize their children's education over their own.
- Visiting relatives and friends: While this motive is generally low in importance, the higher value for childless women might suggest that they have greater flexibility to maintain social connections through travel, whereas women with children may focus on immediate family needs.

The higher mean values for childless women across these motives suggest they are more inclined to prioritize these aspects when traveling abroad. This may reflect greater autonomy and fewer logistical constraints, allowing them to pursue personal, professional, or educational interests. Despite these differences, the low mean values for these motives indicate that they are not primary drivers of travel for either group.

Previous research has explored how parental status affects tourists' motivations and behaviors, shedding light on parents' travel preferences and decisions compared to those without children, e.g., Aziz et al. (2018); Tseng, Chien, and Shen (2023). These studies have investigated how being a parent influences travel preferences, priorities, and decision-making, offering insights into travelers' unique needs and expectations with and without children.

The analysis related to hypothesis 3 confirms that women's travel motivations differ significantly by marital status for four specific motives:

- Fun and entertainment: Differences exist between single and married, in a relationship and married, and in a relationship and divorced women. Among these groups, women in a relationship prioritize fun and entertainment the most when traveling abroad, possibly reflecting a desire to bond with their partner or enjoy recreational activities together. In contrast, married and divorced women may focus on other aspects of travel, influenced by family responsibilities or individual preferences.
- Sport: Differences are noted between single women and those in a relationship. Single women prioritize sports activities the most, which may reflect greater independence and

personal interest in active or adventure-based travel compared to women in relationships, who may plan trips with shared activities in mind.
- Education: Significant differences are observed between single and in a relationship as well as single and married women. Education is most important for single women, potentially highlighting their focus on self-improvement and learning opportunities during travel. For married women and those in relationships, educational motives might take a backseat to other priorities.
- Visiting relatives and friends: Differences are identified between single and in a relationship, as well as single and married women. Single women value visiting relatives and friends more highly, possibly as a way to maintain social connections. Married women and those in relationships may have less flexibility or focus more on family-oriented travel.

Among the significant motives, fun and entertainment are the most important for women in relationships, reflecting their inclination for leisure-focused trips. Conversely, sports, education, and visiting relatives and friends are most important for single women and least important for women in relationships, possibly due to differing travel priorities and social dynamics.

Several prior studies have focused on examining if and how marital status influences tourists' motivations and behaviors, e.g., Sung, Chang, and Sung (2016); Dey et al. (2020); Kim and Kim (2020); Wambani, Ogunjinmi, and Oladeji (2020). Such research provides valuable insights into the ways personal relationships shape tourism behaviors.

Conclusion

This paper aimed to find which motives are important to Slovak women when traveling abroad and which characteristics of women cause differences in the perceived importance of motives when traveling abroad.

We demonstrated that Slovak women traveling abroad tend to prioritize relaxation, cultural enrichment, and entertainment, whereas practical or goal-oriented motives such as business, healthcare, or education hold comparatively less significance.

The results highlight how age-related factors, cultural shifts, and evolving priorities may shape travel preferences. This has implications for travel industry stakeholders, suggesting the need for tailored marketing strategies that align with the distinct values and expectations of each generation.

Moreover, our findings underscore the role of personal circumstances, particularly parental status, in shaping travel preferences and priorities. These findings highlight how life stage and family dynamics influence travel motivations. Travel providers and marketers can use these insights to design targeted offerings, such as family-friendly packages or educational and business-focused travel options for childless individuals. Understanding these nuanced preferences helps cater to diverse needs and enhances the travel experience for both groups.

Finally, our findings suggest that marital status significantly shapes women's travel motivations. Understanding these differences can help cater to diverse needs, ensuring more personalized and satisfying travel experiences.

The findings offer several important managerial and practical implications for the travel industry. First, generation-specific marketing strategies can be employed to cater to the unique travel preferences of different age groups. Younger travelers may be drawn to campaigns emphasizing cultural exploration and entertainment, while older generations might prefer messaging focused on relaxation and leisure. Utilizing platforms such as social media for younger audiences and traditional advertising for older demographics can enhance engagement and reach.

Second, family-friendly offerings can be designed to meet the needs of women with children. These could include packages with kid-friendly accommodations, activities, and flexible itineraries, as well as services like childcare or family-oriented guided tours that make traveling more convenient for mothers. At the same time, travel providers should also address the needs of childless women by offering packages focused on educational or professional enrichment, such as study-abroad programs, wellness retreats, or business-oriented travel opportunities. Highlighting adventurous and leisure-driven experiences can further appeal to this group's flexibility and independence.

Marital status also plays a key role in shaping travel motivations, suggesting the need for customized offerings. Single women may prioritize educational travel, sports activities, and opportunities to visit friends and relatives, while married or partnered women might seek romantic getaways and couple-oriented experiences centered around relaxation and entertainment. Tailored messaging in promotional materials should reflect these diverse life stages, such as emphasizing solo travel benefits for single women or family bonding opportunities for mothers.

In addition to marketing, enhancing customer experiences through staff training can ensure that employees are equipped to meet the varied needs of women travelers. Offering personalized recommendations and gathering feedback to adapt services to evolving preferences will further enhance satisfaction. Collaborations with educational institutions, businesses, and wellness centers can help attract travelers with specific motives, while partnerships with local attractions and cultural organizations can create unique travel packages for women seeking cultural enrichment.

A key limitation of this study is that it focuses exclusively on a sample of Slovak women traveling abroad, which may limit the generalizability of the findings to other populations. Future research could address this limitation by including travelers from other countries to explore potential cultural or regional differences in travel motivations. Additionally, expanding the scope to include male travelers could provide a more comprehensive understanding of gender-based differences in travel preferences. Another valuable direction for future studies would be to investigate travel motivations for domestic trips, offering insights into how travel preferences may vary between international and local travel contexts.

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