

The Effect of Conflicts on Rural Business Performance: A Case Study of Ibarapa Region of Oyo State

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Abstract

There are different forms of conflicts that we are experiencing in the country. These conflicts are not peculiar to a particular set of people as it has double edge effects on the society in general. Ethnic conflicts, religion conflicts, trade union strike actions, general demonstration in the society are as a result of unresolved conflicts. Rural communities are not spared from the devastating effects of these conflicts, especially when the conflicts results into killing, loathing of property, obstruction of the flow of traffic from the urban to rural areas, either it takes place in the urban or rural areas. The purpose of this paper is to examine the effects of these forms of conflicts that either occurred in the urban or rural areas on the rural business performance in Ibarapa region of Oyo State in the last ten years. The representative samples used for this study were taken randomly from extractive, manufacturing, construction, commercial services and personal services. The representative samples were equally taken from the three local government areas of the region. From the analysis carried out, all forms of conflicts identified have a kind of effect on the rural business performance. From the conclusion of this study, it becomes instructive to always resolve conflicts earlier be it at national or rural level before it will escalate into conflicts that will leave scar on the soil.

Keywords: Conflicts, Rural, Urban, Business Performance

1. Introduction

Mere mentioning the words business and conflict, what normally comes into mind is industrial conflict. Industrial conflict has a conspicuous place in the business literature than any other form of conflicts one may think of. Why? Business experts strongly believe in the peaceful co-existence of key stakeholders, especially labour. Because if labour conflict is left unresolved, it will cause untold hardship on the business outfits; by this, the outfits may beginning to loose faster than what they think they will gain. Industrial conflicts that are not resolved timely snowball into national or regional strike actions. From experience so far in Oyo State in particular and Nigeria in general, such strike actions impede business performance for the period it will last and thereafter especially with the no work no pay maxim. During the period of the strike actions many workers go on transacting on credits, and at the end unpaid bills piled up. This cannot be avoided otherwise rural traders' performance will reduce during this period and loss of cliental may arise.

In the rural areas, many of the business outfits are either informal sole proprietorships or family businesses. According to Adeleke (2012), majorly sole proprietorship form of business dominates agricultural practices in Ibarapa land. This tells us that the principal economic activities of Ibarapa is Agriculture and is being carried out largely by informal sole proprietorship. Next to sole proprietorship are cooperative societies; and lastly private limited liabilities companies are business outfit that sell fuel (Kerosene, petroleum, diesel and oil). From this picture how can any form of conflicts affect their business operations especially in the rural areas of their operations? Or better stated, with no or little effective presence of law enforcement agents in the rural areas, in the face of conflicts within the area, what kind of experiences do business outfits have?

To examine the effect of conflicts on rural business performance, it calls for critical look into the nature and forms of various conflicts either in the rural or urban areas. Since the word conflict takes various forms, this study will be limited to the major forms of conflicts being experienced in the rural areas. With this, it becomes easy to examine the forms and its effects on rural business performance and to establish the direction of the effect of conflict on rural business and proffer some ways of reducing the negative effects that often result.

It is against this background, this study is conceived. An attempt is made to complement the existing literature on conflict as well as to develop and improve on the insights it will provide into the effects of conflict on rural business and conflict resolution mechanism. The primary aim of this study is to inquire into the effect of conflict on rural business performance in Nigeria. Put differently, the basic question this enquiry seeks to answer is whether the conflict has significant effect on rural business performance in Nigeria. As far as data availability

permits, in answering this question special attention will be drawn to nature or forms of conflicts. This is in view of the crucial effects it has on business performance.

As it has been stated above, this will facilitate an appreciation and understanding of why the rural business performance is the way it is during conflict period. Therefore this will facilitate possession of first-hand information about how and why the conflicts affect the rural business the way they do.

The orientation of this study is both positive and normative. It is positive in the sense that attempts are made to learn and analyse forms and effect of conflict on rural business performance in order to answer the question: what is? These efforts are made to provide answers to important questions such as:

- i. Is there any significant effect of various forms of conflicts on rural business performance in Oyo State of Nigeria?

It is also normative in the sense that it is policy oriented, that is attempting to answer the question what ought to be particularly in the light of what is.

The purpose of this study as stated above is that of enquiring into the effect of conflict on rural business performance in Oyo State of Nigeria. The basic hypothesis of the study can thus be stated as:

That various conflicts can affect rural business performance in Oyo State.

The negative form of this proposition has no special significance and is chosen only for convenience. This hypothesis can be broken down into a collection of null and alternative form easily to handle and verify proposition as follows:

H₀₁ There is no significant effect of various forms of conflict on rural business performance in Oyo State

H₁₁ There is significant effect of various forms of conflict on rural business performance in Oyo State

2. Conceptual Framework

Conflict takes various forms and dimension. The most common one is industrial conflict. Apart from industrial conflict, we will spend part of our time to gain an insight into the nature and forms of other conflicts that rural dwellers do experience in their businesses and those external to their businesses as well.

The nature of rural business makes it often possible to experience:

- i. Role conflict such as work-family, religious, workplace, interpersonal and gender conflict within and outside the workplace
- ii. National or regional industrial conflict
- iii. Crisis due to political, ethnicity, religion and some other social factors

Change in role performance status of people as a result of marriage, religious functional responsibility, and work role performance do bring about conflicts in life. Hynes and Liu (2012) remarked that women who have more trouble balancing their work-life and family duties go on to have fewer additional children which is a taboo in most of the rural areas in Nigeria. This attitude is a root cause for the conflict many women feel choosing to become full-time workers or mothers. Women agitation against job performance discrimination as men makes them to claim equal rights with men in seeking job or owning their own business outfits. This makes women to step up to fill different roles; men have not stepped in to help balance out the work load. Realistically this is proving to be herculean task for women to balance the two. In Nigeria context, family work responsibility of women takes pre-eminence over work job performance. Therefore many women always feel cheated or being forced to choose between career and family, and guilty about their choice by society. Unresolved marriage conflicts or gender role conflicts in marriage may lead to stress which often result from conflicts between work and family roles (see Lynagh and Murphy 1996; Phillips-Miller, Campbell, and Morrison 2000). Conflict between work and family roles has been established to be related directly or indirectly to job outcomes such as job dissatisfaction, employee burnout, and turnover (Bacharach, Bamberger, and Conley 1991; Burke 1989; Frone, Russell, and Cooper 1992; Good, Sisler, and Gentry 1988).

Likewise working with groups of workers or business associates can sometimes result in role conflict if an individual feels that his or her roles are in opposition. These may create role stress, which is detrimental to workplace performance. Role stress has also been linked to decreased job satisfaction and employee turnover. Gender role conflicts are stronger for mothers who may, therefore, feel more obligated to deal with family matters even at the detriment of the job as opposed to men who may have high tendency to put the job first (Gilbert 1992; Marsiglio 1993).

From the literature, role conflict is irony of circumstance, as multiple roles often lead to job dissatisfaction so also it aids increase in work creativity. Due to multiple roles, Tang and Chang (2010) concluded that there is an increase in flexibility, different sources of information, and these people have many different perspectives to bring to the table. Apart from role conflicts, all human organizations, be it communities or societies experience conflict at one time or another in the process of interpersonal relationships. The reasons for it are many.

Ogunyemi (2005) noted the inevitability of conflict in human interaction and relationship as a result of differences in ideology, needs, interests, values and goal pursuance. Akanji (2005) asserts that work place conflicts are mostly due to interpersonal squabbles between trade union leaders and the management of organizations. When the conflicts are not resolved in time it matured into closure workplace or dawn tools or public demonstrations. At this point peace is already sick. The immediate effect of conflict is disruption of workplace peace and work which brings untold financial hardship to both the organisation and workers. Strike action is a double edge sword. The adverse financial effects on the organisation in most cases do lead to lay off of workers or closure of the organisation. Strike is like pebble of stone throw into the ocean, it splashes over to both immediate and far off environment. It affects not only the workers and the workers' organisations but the business contact group, customers as well as potential investors and government. It may strain relationship between business contact group, put the customers in a precarious business situation, make the potential investors to want to buy the firm over or reject the option of take-off bid or investment in the business and government revenue will reduce as a result of loss of income by the striking firm, and increases social problem in the society – unemployment and poverty.

The third leg this paper considered as part of the conflict agents in our society is crisis. Crisis takes various forms. The most notable ones are religious, ethnic, political and election in our society. In the rural area of Oyo state the most common ethnic clashes is always between the Fulani (Bororo) and the farmers. They are a times commit impious crime like raping, robbery and destruction of farms. The facet of religious crisis in the western part of Oyo State which this study covers clashes between Oro or Egungun cult members and Islam or Christianity. The most reported political conflict in Oyo State is usually clashes between two or more rivalry political parties or among members of a particular political party. The aftermath effects of any of these conflicts usually break up peace in the area such happened. Crisis ridden area has one peculiar sigma – unsafe place for business development and performance that wades off investors away. Crisis cripes and kips business. It does not aid business development faster as peace will do.

Unresolved conflict or crisis, in sum turns the business operating environment into a very hostile one that cannot support business development and performance. Where this is the order of things in the rural areas, then some anti-business phenomenon will take place. As we all know that barren land a natural limit of supporting plant growth to fruiting, likewise conflict. From the fig. 1 below, any unresolved conflict in the business operating environment will turn business operating environment into a hostile one with potent power of reducing job satisfaction. As a result of job satisfaction quality target may be lost which will invariable lead to increase cost of doing business and labour turnover which may consequently lead to folding up of the business outfit. Or hostile operating environment can lead to closure of business as a result of destruction of life and property with attendant risk of loss of job that will aggravate social problems in the society; increase cost of doing business and labour turnover which may consequently lead to folding up of the business outfit. The end result of unresolved conflicts reduces business and economic performance and gross domestic product (GDP). Whereas peace is a fertile soil for business development and performance as well as economic performance and GDP.

3. Methodology

3.1 Research Design

The study utilized survey research design using the expo-fact type. The researcher was interested in knowing whether different forms of conflicts experienced by the participants which serves as the independent variables would have any predictive effect on the dependent variable (rural business performance) without necessarily manipulating the independent variables.

3.2 Participants

The participants for this study were drawn from three local government areas of Ibarapa region of Oyo State. The participants were purposefully selected from the three local government areas to reflect the ten major business occupations from the region. And a sample of ten (20) respondents were taken from each local government area of the region.

3.3 Research Instrument

The research instrument developed for this study is a structure opinion tailed questionnaire on effects of conflicts on rural business performance. It has two parts. Part I is on the biographic information on the participants while Part II is on the conflict variables. Part II is further divided into four sections with 30 items measuring all the four sections on a 5 point likert format ranging from (1) Very Low to (5) Very High effect. The scale has a reliability coefficient alpha using Cronbach, $\alpha=0.74$, and Guttman split half reliability $r=0.74$. Form a pretest of the instrument in a pilot study conducted at Itesiwaju local government area of Oyo State March 2013

3.4 Procedure

Twenty copies of the research instrument was administered in each of the local government areas for the study personally and with assistance from friends on the identified participants that run and manage any of the ten major business occupations in the area. The researcher personally explained each aspect of the questionnaire to the participants and also guided them where necessary without influencing their responses. The instruments were collected immediately after completion. The exercise lasted for three weekends with a weekend allocated for each local government.

3.5 Data Analysis

The collected data were coded, edited and summarised into tables for analyses with Pearson Product Moment Correlation (PPMC) to investigate relationships among variables, and “F” Statistic (ANOVA) to find out the effects of conflicts on rural business performance

. Results

From the above table 3, we can say there are more numbers of:

- i. male respondents than female,
- ii. respondents whose ages are above 40 years than those below 40 years,
- iii. married respondents than single or widow respondents and likewise more widow respondents than single respondents
- iv. sole traders than privately owned limited liabilities companies for this study

The implications of the above are:

- i. In the rural areas of Oyo State more men are into business than their women counterparts. This may be as a result of the cultural believe of an average typical Yoruba man who will never wish his wife to be richer than he does or that certain professions are male reserved. These professions such as carpentry, Bricklaying, Welding, Block making, house building, driving, mechanic, panel beating and repairing are mostly common in the rural areas.
- ii. Most people that are above forty years are commonly found with male dominated profession in the rural areas. This signifies decline of workforce for those professions. The work entails are seen as being laborious due to lack of ability to acquire latest technological driven equipment.
- iii. It is general believed that married persons have responsibility than single persons. The married persons mobility ability is restricted as a result of his/her status. Mostly within their environment they seek for opportunity driven business or as necessity they engaged in any venture that will give them their daily bread. The widows also look inward to engage in any business that will help them to ameliorate their sufferings. Only few single persons will want to stay in the rural areas first without making attempt to migrate to urban centres; the aftermath effect inform them to return or not to rural areas for better opportunity in the rural areas.
- iv. Most of the limited liabilities companies are fuel merchants that are required by law to register under Corporate Affairs Commission.

From table 2, the Pearson Moment Correlation coefficients were found to be negative and non-significant. Also, the coefficient for Role conflict was highest, followed by industrial actions, political crisis and election crisis. All forms of conflicts have effect on the rural business performance with role conflict having serious negative impact. As individual assume additional responsibility, especially marital, social and religious responsibility, role conflicts will manifest from time to time. As a business person, if role conflicts are not properly managed it will have larger negative effect on business performance.

From table 3, R coefficients were found to be small; this implies that small portion of all effects on rural business performance can be explained by observed conflicts in the rural areas (Ibarapa Region) of Oyo State. Other factors (such as rural electrification, rural finance, security and market information) apart from conflicts have significant implications for rural business performance.

From table 4, all the observed conflicts effect were found to be non-significant as the significant table values were found to be greater than 0.05. Therefore the study concluded that there is no significant effect of various forms of conflicts observed on rural business performance in Oyo State

5. Discussion and Recommendation

From the review of literature carried out, role conflict was reported as having effect on job performance of workers which at the end of the day tells on the entire organisation performance. The literature did not say whether it has significant effect on the organisation performance. The finding of this study is; role conflict has negative effect on the rural business performance but not significant. Since many of the businesses in the rural

areas are informal sole proprietorship in nature; marital, social, religious and leadership roles can be harmonised and controlled so that their source of daily earnings will not be so much affected. Industrial actions embarked upon by workers; political, ethnic and election crises were adequately reported as having effect on business performance but the kind of effect they may have on rural business performance were not reported too. Another conclusion of this study is that all the observed forms of conflicts in the rural areas have effect on rural business performance but they are not significant. The simple reason one can adduce from this study is the geographical distance of the rural areas under study to the nearest urban centres is connected with good network road; give most of the traders ample opportunity to stock up items on hearing that there may be industrial actions by workers; or alter their travelling plan to avert the effect of political and election crises in an urban centre to another, where these are not happening. On the strength of this finding, the local government areas should keep and continue to keep a good flexible network of roads and put in place batteries of security against invaders – Fulani cattle herdsman, robbers and political thugs.

The observed little effect that can be explained by R coefficients can be worked upon also. Most importantly, the industrial actions that often lead to national crisis such as the one usually embarked upon by workers. The spillage of all these are being felt by the rural people, causing them to either close shops or seek for solution through black market thereby making life unbearable. Both the national and state governments should address these issues timely if the hope of transforming the rural communities into industrial ones is to be realised. In addition government should set up counselling clinic for people that are under different kinds of role conflicts especially marriage. If all these are put in place conflict resolution will be more meaningful to impact rightly on the rural business performance for needed economic growth of the rural sector of the State in particular and the country in general.

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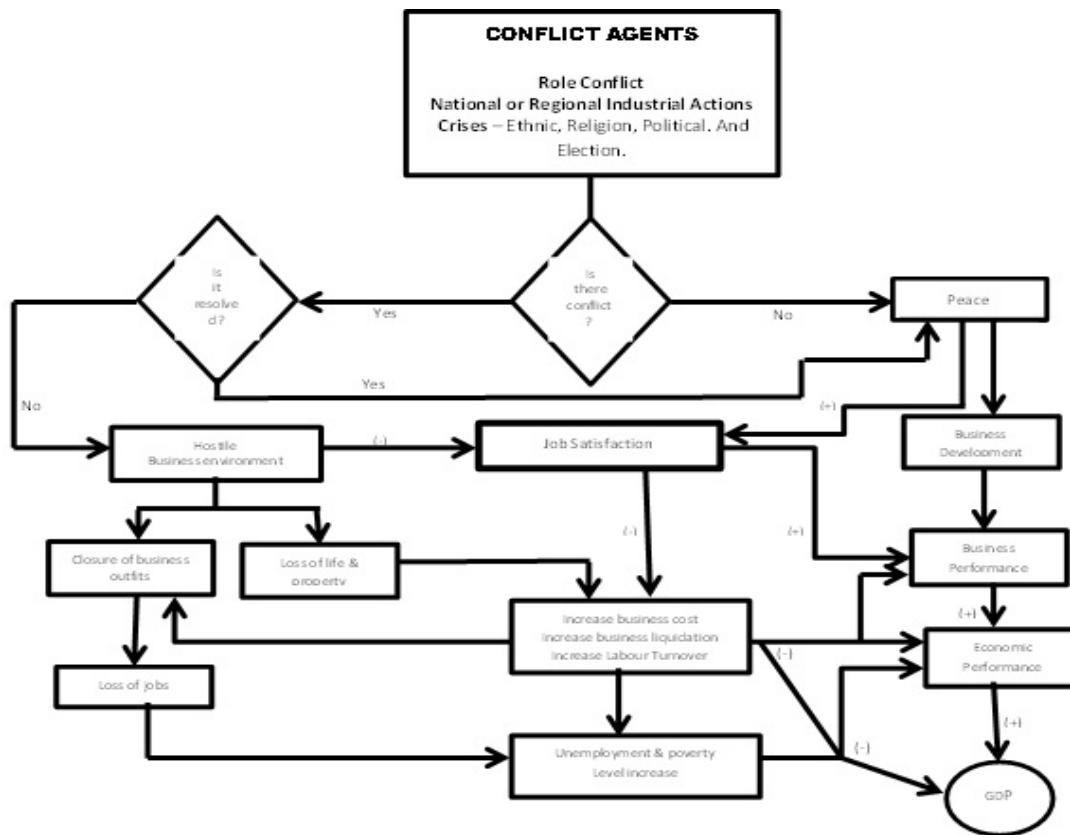


Fig 1: Conflict and Peace Influencing Model of Rural Business

Source: Self developed by Adeleke, M. S. (2013)

Table 1: Descriptive Analysis of Participants’ Bio data

	Gender	Age	Marital Status	Business Ownership Forms
Ibarapa East LGA	Male , 12,60%	< 40yrs,7,35%	Single,5,25%	Sole Trader,18,80%
	Female, 8,40%	> 40yrs,13,65%	Married,9,45%	Private Ltd,4,20%
Ibarapa Central LGA	Male ,11,55%	< 40yrs,9,45%	Single,3,15%	Sole Trader,12,60%
	Female,9,45%	> 40yrs,11,55%	Married,13,65%	Private Ltd,8,40%
			Widow 4,20%	
Ibarapa North LGA	Male ,10,50%	< 40yrs,8,40%	Single,2,10%	Sole Trader,15,75%
	Female ,10,50%	> 40yrs,12,60%	Married,12,60%	Private Ltd,5,25%
			Widow 6,30%	
Total	Male ,33,55%	< 40yrs,24,40%	Single,10,16.67%	Sole Trader,43,71.67%
	Female, 27, 45%	>40yrs,36,60%	Married,34,56.67	Private Ltd,17,28.33%
			Widow 16,26.66%,	

Source: Field Survey Data, April, 2013

Table 2: Relationship between Observed Conflict Types and Rural Business Performance

	Industrial Actions	Political Crisis	Role Conflicts	Election Crisis
Pearson Correlation	-.060	-.059	-.074	-.045
Sig. (2-tailed)	.649	.652	.575	.731
N	60	60	60	60

Source: Field Survey Data, April, 2013

Table 3: Model Summary of ANOVA for Observed Conflict Types

Model	Industrial Actions	Political Crisis	Role Conflicts	Election Crisis
R	.060 ^a	.059 ^a	.074 ^a	.045 ^a
R Square	.004	.004	.005	.002
Adjusted R Square	-.014	-.014	-.012	-.015
Std. Error of the Estimate	1.38671	1.38675	1.38540	1.38777

a. Predictors: (Business Performance), Conflict type
 Source: Field Survey Data, April, 2013

Table 4: Summary of F test for Observed Conflict Types

Model	Industrial Actions	Political Crisis	Role Conflicts	Election Crisis
F	.209	.205	.319	.120
Sig.	.649 ^a	.652 ^a	.575 ^a	.731 ^a
df	59	59	59	59

a. Predictors: (Business Performance), Conflict type
 Source: Field Survey Data, April, 2013

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