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BUILDING A FINANCIAL SECTOR FOR AN EMERGING MARKET ECONOMY

Since the 1980s, Ghana, like many other developing countries, has engaged in far-reaching economic and structural reforms. As a result, Ghana has been undergoing a process of financial sector restructuring as an integral part of a comprehensive economic transformation programme. These reforms are seen as a critical part of the country's strategy to achieving emerging financial market status. In essence, the reforms are designed to enable the financial sector to deliver world first-class services within the globalized financial system.

According to the Bank of Ghana, the financial sector policy seeks to serve multiple objectives other than the fundamental goal of debt and equity intermediation. The reforms are targeted at two important objectives of developing specialized segments of banking and financial services and developing national and local entrepreneurship. The policy aims to use differentiation of levels of capitalisation and equity requirements to

advance strategic national interest, including extending banking services to achieve regional balance and equity.

As a result of the reforms, the banking sector is now relatively diversified in the range of services and increasingly innovative new products offered. The next stage and the thrust of financial market policy is developing a vibrant capital market as a vehicle for raising funds to support large amounts of equity finance and investment.

It must be appreciated that the reforms is significantly transforming the Ghanaian financial sector from government controlled to a market-based regime. The Bank of Ghana shifted gradually from a direct system of monetary controls to an indirect system that utilized market-based policy instruments.

As part of the reform process and under the Banking Act, the Bank of Ghana rationalized the minimum reserve requirements for banks,

introduced new financial instruments, and open market operations for liquidity management. The Banking Act empowered the Bank of Ghana to complement these policies by improving the soundness of the banking system, the regulatory framework, strengthening banking supervision (risk-based supervision), and improving the efficiency and profitability of banks in line with Basel II and III objectives.

Every Ghanaian now knows that the liberalization of the entry and attraction of foreign banks and investors of sound international standing into the financial services industry has increased competition in the banking industry by giving impetus to dynamic efficiency; introduced strong business practices, technology, and products; ushered in "universal banking"; and introduced market-based and risk management systems.

Recent developments in Ghana's banking environment point to the strong foundations for sustainable growth, such as a macroeconomic policy geared towards stability and a structural policy geared towards growth and sound financial sector.

Ghana is largely a cash-based economy. However, a dynamic growth-oriented financial system that we aspire to must be founded on an efficient payment and settlement system of cheques and electronic cards. In line with this, the Bank of Ghana is undertaking extensive reforms in the legal, institutional, and infrastructural frameworks of the payments and settlements system in Ghana. These are intended to overhaul and modernise the infrastructure of the payments and settlement system in Ghana.

Important infrastructural and policy or system changes include the following:

- The introduction of Real Time Gross Settlement System (RTGS) for high-

value payments which has created an enabling environment for safe, sound, secure, and timely payments. It has also reduced systemic, payments and settlement risks as payment orders are settled almost instantaneously.

- A national Switch (E-ZWICH) which replaced the Universal Electronic Payments (UEPS) technology system is also in place that establishes a common platform for all payments transactions in the country to integrate all existing bank switches and allow banks that do not have switches to join the common switch at significantly reduced costs. It would also allow the interoperability of all ATMs and the settlement of payments transactions by customers of different banks at Points of Sale (POS).
- The National Biometric Smartcard (The E-ZWICH card) which addresses the shortcomings of the debit card, is a major vehicle for financial inclusion. Its features of ready accessibility; low transaction costs; limited infrastructure needs; personal safety; security; convenience; and simplicity are indeed welcome.
- The National Switch and Smartcard
- The Codeline Cheque Truncation (CCT) to allow very fast cheque clearing as well as the Automated Clearing House (ACH) for the clearing of electronic debits and credits.
- The Central Securities Depository (CSD) is the infrastructure necessary for capital market development to ensure a secondary and liquid market for government debt instruments and other securities and it should put a hard-wire around the capital market infrastructure to improve security and investor confidence.

- The Ghana Interbank Payments and Settlement System (GHIPSS), is a limited liability company to allow more efficient and coherent management and oversight. The business of GHIPSS includes managing the following: National Switch and Smart Card Services, Cheque Clearing, Codeline Cheque Truncation, Real Time Gross Settlement System (RTGS), Central Securities Depository (CSD), and Automated Clearing House (ACH).
- The Credit Reporting Act (Act 726) to provide a legal and regulatory framework for credit reporting in Ghana, enhance credit risk management by the banking system, and promote the orderly development of a credit reporting system for Ghana and to promote public trust in credit bureau operations.
- The Foreign Exchange Act (Act 723), which replaced the Exchange Control Act, 1961 provides a new statutory framework for foreign exchange payments and transactions. It is a shift away from the controls to monitoring foreign exchange transactions for balance of payments and other purposes.
- Other legislation involve Anti-Money Laundering, the Credit Union, Insurance, Insolvency (Bankruptcy law), the Companies' Code, Borrowers and Lenders, Non-Bank Financial Intermediaries (NBFIs), and Offshore Banking.
- Significantly increased Minimum Paid up Capital of Banks and Non-Bank Financial Institutions

Along with the above initiatives, the Bank of Ghana has introduced a number of reforms in the wholesale market for Government

Securities, including a primary dealer's code of conduct. These reforms should bring to the domestic financial market increased efficiency and transparency, reduce transaction costs, and ensure broad-based participation of individuals on both competitive and non-competitive basis with greater security of title.

The above policy and legislative reforms have led to rationalization of major aspects of the financial sector thereby creating a new environment resulting in significantly increased efficiency and competition in the banking system, financial deepening, enhancing the transparency and competitiveness of the inter-bank money market, and enhancing the development of the capital market in the country. The integration of the Ghanaian financial system with the global economy will provide sound opportunities for banks and non-bank financial institutions.

These new opportunities unfortunately bring in their wake higher risks which have to be managed by the banks. The reforms of the payment system also require from financial institutions very high standards associated with internationally active banks.

With all these reforms, a cluster of banks emerged with relatively low capital base and depth that are inadequate to support significant levels of lending. These could be more vulnerable to minor swings in macroeconomic fundamentals. However, a large number of banks with a small capital base within the system both dilute the franchise value of banks and increase instability. Entry into the Ghanaian financial market therefore has to be selective, well-managed, and paced over time. There must be clear exit rules and prudential supervision vigorously enforced to safeguard systemic stability.

An expansion of banking activities culminates in increase in exposures with their attendant

risks. Financial institutions therefore need to reposition their capital to support these new activities in an expanding economy. New licenses for banks, deposit-taking NBFIs and Finance Houses should henceforth only be issued to banks that meet the new minimum capital requirements. Bank licenses should be issued to internationally active banks. There is however a need to protect the local banks. We see a need for mergers and acquisitions in the

industry. The touted competitive environment must be actualized to the individual consumer level.

In all, Ghana has taken giant strides since the 1980s in transforming its financial industry. However, more remains to be done. We commend the Authorities for work well done so far.

ENLIGHTENED INQUIRY

IMPROVING STAFF COLLABORATION: STRATEGIC PERSPECTIVES

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The quest for harmony and common goals can actually obstruct teamwork. Managers get truly effective collaboration only when they realize that conflict is natural and necessary. However, most companies respond to the challenge of improving collaboration in entirely the wrong way. They focus on the symptoms rather than the root cause of failures in cooperation: CONFLICT. The fact is that you cannot improve collaboration until you have addressed the issue of conflict. Clashes between parties are crucibles in which creative solutions are developed and wise trade-offs among competing objectives are made. So, instead of trying simply to reduce disagreement, senior executives need to embrace conflict and, just as important, institutionalize mechanisms for managing it.

Even though most people lack a natural understanding of how to deal with conflict effectively, there are a number of straightforward ways executives can help their people – and their organizations – constructively

manage it. According to Jeff Weiss and Jonathan Hughes, these can be divided into two main areas: strategies for managing disagreements at the point of conflict, and strategies for managing conflict upon escalation up the management chain. These methods, they believe, can help a company move through the conflict that is a necessary forerunner to truly effective collaboration and, more important, extract the value that often lies latent in intra-organizational differences. When companies are able to do both, conflict is transformed from major liability into a very valuable and significant asset.

Strategies for Managing Disagreement At The Point Of Conflict

Conflict management works best when the parties involved in a disagreement are equipped to manage it themselves. The aim is to get people to resolve issues on their own through a process that improves – or at least does not damage – their relationships. The following strategies help produce decisions that are better informed and more likely to be implemented.

1. **Devise and implement a common method for resolving conflict:** When faced with problems of disagreements most compa-

nies leave employees to find their own ways of resolving them. However, without a structured method for dealing with these issues, people get bogged down not only in what the right result should be but also in how to arrive at it. Often, they will avoid working around the conflict, thereby forgoing important opportunities to collaborate. When people do decide to confront their differences, they usually default to the approach they know best: debating about who is right and who is wrong or bargaining over small concessions. Among the negative consequences of such approaches are suboptimal, “split-the-difference” resolutions – if not outright deadlock.

Establishing a company wide process of resolving disagreements can alter this familiar scenario. At the very least, a well-defined, well-designed conflict resolution method will reduce transaction costs, such as wasted time and accumulation of ill-will, that often come with the struggle to work through differences. At best, it will yield the innovative outcomes that are likely to emerge from discussions that draw on multitude of objectives and perspectives. There is an array of conflict resolution methods a company can use; but to be effective, the methods should offer a clear, step-by-step process for parties to follow. They should also be made an integral part of existing business activities – accounting planning, HR planning, promotion budgeting, and the like. If conflict resolution is set up as a separate, exception-based process, a kind of organizational appeal court, it will likely die a natural death once initial management enthusiasm diminishes.

2. **Provide people with criteria for making trade-offs.** Even when companies provide people with a common method for resolving a conflict, employees often still need to make zero-sum trade-offs between competing priorities. That task is made easier and less contentious when top management can clearly articulate the criteria for making such choices. Obviously, it is not easy to reduce a company's strategy to clearly defined trade-offs, but it is worth trying. For example, salespeople, who know that five points of market share are more important than a ten point increase on a customer satisfaction scale, are much better equipped to make strategic concessions when the needs and priorities of different parts of the business conflict. Even when the criterion does not lead to a straightforward answer, the guidelines can at least foster productive conversations by providing an objective focus. Establishing such criteria also sends a clear signal from management that it views conflict as an inevitable result of managing a complex business.
3. **Use the escalation of conflict as an opportunity for coaching.** In the best situations, where a company wide conflict-management process is in place and where trade-off criteria are well understood, there is still a natural tendency for people to let their bosses sort out disputes. Senior managers contribute to this tendency by quickly resolving the problems presented to them. While this may be the fastest and easiest way to fix the problems, it encourages people to punt issues upstairs at the first sign of difficulty. Instead, managers should treat escalations as opportunities to help employees improve their conflict resolution skills.

Strategies for Managing Conflict upon Escalation

Armed with common conflict resolution methods and trade-offs criteria, and supported by systematic coaching, people are better able to resolve conflict on their own. But certain complex disputes will inevitably need to be decided by superiors. Consequently, managers must ensure that, upon escalation, a conflict is resolved constructively and efficiently – and in ways that model desired behaviors.

1. **Establish and enforce a required joint escalation.** Frequently, people involved in a disagreement will run to their bosses separately and come back with stronger versions of the solutions suggested by these bosses. At this point, each disputant is locked into what is now “my manager’s view” of the right solution. The problem, already thorny, then becomes even more intractable.

The best way to avoid this kind of debilitating deadlock is for people to present disagreements jointly to their boss or bosses. This will reduce or even eliminate the suspicion, surprises, and damaged personal relationships ordinarily associated with unilateral escalation. It will also guarantee that the ultimate decision maker has access to a wide array of perspectives on the conflict, its causes, and various ways it might be resolved. Furthermore, companies that require people to share responsibility for the escalation of a conflict often see a decrease in the number of problems that are pushed up the management chain. Joint escalation helps create the kind of accountability that is lacking when

people know they can provide their side of an issue to their own manager and blame others when things do not work out.

2. **Ensure that managers resolve escalated conflicts directly with their counterparts.** It is not unusual to see managers react to escalations from their employees by simply passing conflicts up their own functional or divisional chains until they reach a senior executive involved with all the affected functions or divisions. Besides providing a poor example for others in the organization, this can be disastrous for a company that needs to move quickly. To avoid wasting time, a manager somewhere along the chain might try to resolve the problem swiftly and decisively by himself. This too has its costs. In a complex organization, where many issues have significant implications for numerous parts of the business, unilateral responses to unilateral escalations are a recipe for inefficiency, bad decisions, and ill feelings.

The solution to these problems is a commitment by managers, codified in a formal policy, to deal with escalated conflict directly with their counterparts. Of course, doing this can feel cumbersome, especially when an issue is time-sensitive. Resolving the problem early on is ultimately more efficient than trying to sort it out later, after a decision becomes known because it has negatively affected some part of the business.

3. **Make the process for escalated conflict resolution transparent.** In most companies, once managers have resolved a conflict, they announce the decision and move on. The resolution process and the rationale behind the decision are left inside

a management black box. While it is rarely helpful for managers to share all the details of their deliberations around contentious issues, failing to take the time to explain how a decision was reached and the factors that went into the decisions misses a major opportunity.

A frank discussion of the trade-offs involved in decisions would provide guidance to people trying to resolve conflicts in the future and would help nip in the bud the kind of speculation – who won and who lost, which managers or units have the most power – that breeds mistrust, sparks turf battles, and otherwise impedes cross-organizational collaboration. In general, clear communication about the resolution of the conflict can increase people's willingness and ability to implement decisions.

Learning Lessons Latent in Conflict

The six strategies suggested by Weiss and Hughes constitute a framework for effec-

tively managing organizational discord, one that integrates conflict resolution into day-to-day decision-making process, thereby removing a critical barrier to cross-organizational collaboration. The strategies also give another hint: that conflict can be a more than necessary antecedent to collaboration.

When a company begins to see conflict as a valuable resource that should be managed and exploited, it is likely to gain insight into problems that senior managers may not have known existed. Because internal friction is often caused by strains not addressed within an organization and its environment, setting up methods to track conflict and examine its root causes can provide an interesting new perspective on a variety of issues. Therefore, conflict, so often viewed as a liability to be avoided whenever possible, can be valuable to a company that knows how to manage it.

THE DIALECTICS OF PRAYER: THE CHRISTIAN AND THE ENEMY

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1.0 Introduction

Prayer undoubtedly is the medium of communication with the Supreme Being. In fact, the Apostle Paul could not have been more right when he wrote to the Church in Thessalonica 'to pray without ceasing' (1 Tess 5:17), to inter alia repel and foil the machinations of the enemy.

The logic of it, one would surmise, is that since the enemy sleepeth not, and in fact cannot sleep until they witness the downfall of their prey, the Christian must also pray continuously to counteract the wiles of the evil one.

'As men have learnt to shoot without missing, eneke the bird has also learnt to fly without perching', says Chinua Achebe in his novel 'Things Fall Apart'.

The question one is tempted to ask then is, what manner of prayer must the Christian pray to foil the evil schemes of the enemy? Is the Christian of today praying in accordance with the doctrines of Christianity or has he departed from them? This paper tries to answer these questions.

2.0 The Dialectics

The Bible is replete with quotations that provide guidance to prayer in both the Old and New Testaments. The one that readily comes to mind is the Lord's Prayer (Luke 11:2-4) which Jesus taught His disciples when they requested Him to teach them to pray as John the Baptist taught his disciples:

*Our Father who art in Heaven,
Hallowed be your name
Your kingdom come.
Your will be done on earth
As it is in Heaven
Give us each day our daily bread.
Forgive us our sins,
For we also forgive everyone who sins against us.
And lead us not into temptation.
Deliver us from Evil
For ever and ever (Holy Bible, New
International Version).*

Jeremiah's Lamentations (2:19) also states:

'Arise, cry out in the night, as the watches of the night begin; pour out your heart like water in the presence of the Lord'. (New International Version)

These and other quotations prescribe to the Christian not only the content of his prayer but also the timing of prayer (it is noteworthy Jeremiah recommending 'as the watches of the night begin'). The content of a Christian's prayer by and large is a function of his or her mood at the time of the prayer and the purpose for which he or she prays. The Psalmist states:

*Hear my cry O God;
Listen to my prayer
From the ends of the world I call to you,
I call as my heart grows faints;
Lead me to the rock that is higher than I (Psalm 61:
1-2).*

It is obvious that King David was in immense anguish when he prayed this prayer, perhaps when he was being pursued by Absalom his son as stated in 2 Samuel 15- 18.

King David also in Psalm 5 entreats God through prayer to listen to his prayer in the morning; this also emphasizes the essence of timing in prayer here:

*Listen to my cry for help,
My King and my God.
In the morning, O Lord, you hear my voice;
In the morning I lay my request before you
And wait in expectation. (Ps. 5: 2-3)*

The Bible appears to provide two antithetical doctrines or Schools of thought regarding prayer, which the writer chooses to respectively, call the 'Soft Prayer' and the 'Hard prayer' theories.

2.1 The Soft Prayer School

This approach to prayer, which could also be labeled the Good Samaritanic Prayer' goes soft with the enemy in prayer. The underlying reason is that the enemy, being your family member, aunt, mother, cousins, grandpa, and other people through whom the devil operates is not to blame for he or she is under the influence of a demonic power over which he or she has no control. He is just flesh and blood being controlled as a marionette by Satan to torment the children of God. The person is a neighbor and not an enemy and should therefore be prayed for,(not against ,)

for a change of mind and a casting away of the demonic power he/she may possess. This is in tune with Jesus' teachings.

When the expert in law approached Jesus to test him (Luke 10: 25-27) on what was to be done to inherit eternal life, Jesus' response was ' Love your neighbor as yourself and followed it with the parable of the ' Good Samaritan'. The Samaritan did not wish his enemy (the injured man) dead, but took care of him, bandaged his wounds, poured oil and wine on it, sat him on his donkey and paid the bills of the inn where he took him. Would the Samaritan pray for the death of this injured man? Obviously not. This according to this school of thought is what Jesus requires of Christians in their prayer and actions. This is a patently difficult doctrine that underscores the fact that Christianity is not a bread and butter affair and that Christ came to save and not to kill.

'Love your enemy and pray for those who persecute you (Matt: 5:44) that you may be sons of your father in Heaven,' (New International Version) says Jesus. This is a critical doctrine for Christians which relates to a profound attribute of God who is all-loving to the extent that he causes his sun to shine on the evil and the good and sends rain on the righteous and unrighteous (Matt:5:45). Thus, Christians ought to demonstrate this in their prayers if indeed they are Christians so that they would attain perfection in Christ Jesus.

In Luke 6:27-36 Jesus reiterates this succinctly:

' But I tell you who hear me: Love your enemies, do good to those who hate you, bless those who curse you, pray for those who ill-treat you... but love your enemies, do good to them and lend to them without expecting to get anything back. Then your reward will be great, and you will be sons of the Most High, because he is kind to the

ungrateful and wicked. Be merciful, just, as your father is merciful.'

The point is clear here that praying for your enemy results in the showering of blessings on the Christian and opens doors to heaven. This is obviously a difficult doctrine Jesus enjoins us to follow. In Luke 9: 51-56 when the disciples purposed to call (pray for) fire down from heaven to destroy the Samaritans who denied Jesus (and the disciples) a place; Jesus rebuked them not to for Christ came to save and not to kill.

'Bless those who persecute you; bless and do not curse... do not repay anyone evil for evil. ...do not revenge but leave room for God's wrath for 'it is written it is mine to avenge'...if your enemy is hungry, feed him; if he is thirsty, give him something to drink, in doing this, you will heap burning coal on his head.' Rom 12:14-20. (New International Version)

Even on the cross, Christ sought forgiveness for those who crucified him, for 'they knew not what they were doing'. In fact Christ demonstrated this in the Beatitude in Matt 5:3-11. Mahatma Gandhi once remarked that whenever he read the Beatitude he felt like converting to Christianity, but when he saw what some Christians did, he wished to remain a Hindu. This indeed is a critical indictment on Christianity.

The benefits of the so-called soft prayer flow not only to the person who prays but also to the generality of the masses, as it were. Stephen, at the threshold of death on the approval of Paul (then called Saul), prayed to God not to hold the sin against those who stoned him to death (Acts 7:60) including of course Saul who became Paul.

... Meanwhile, the witnesses laid their clothes at the feet of a young man named Saul (Acts 7:58)... And Saul was there giving approval to his (Stephen) death (Acts 8:1). NIV

Had he prayed that they perished with him on that day, Christianity (or humanity?) would have lost a great deal in terms of the propagation of the Gospel by Paul to the gentiles and elsewhere. Perhaps Paul would have been the first to die on that day had Stephen prayed otherwise.

The soft prayer theory in a nutshell enjoins Christians to eschew vengeful prayer requesting God to punish, kill or cripple their enemies.

2.2 The Hard Prayer School.

The hard prayer theory holds a contrary view that an enemy is not to be 'fought' with tender gloves. Again and again, the Bible is full of quotations that enjoin the Christian not to trifle with the enemy but pray earnestly against him. The devil (the enemy) is crafty and wicked and as such should be met with a prayer replete with fire to quench all his destructive works.

In Lamentations 4:19, Jeremiah states:

Our pursuers were swifter than eagles in the sky; they chased us over the mountains and lay in wait for us in the desert. (NIV)

The enemy is strong and swift even on mountains and as such should not be handled lightly; he seeks to destroy the children of God and needs to be met with vengeful Holy Ghost fire through prayer. In Luke 12: 49 Jesus intimated:

'I have come to bring fire on the earth and how I wished it was already kindled'. (New International Version)

As Christians, the fire Jesus came on the earth with is a veritable amour against the enemy in prayer.

The Bible is strewn with instances of prayer of vengeance from powerful men of God which perhaps have been blueprints of Christians holding onto this school of thought. Elisha prayed and struck the Arameans with blindness when they tried to capture him in 2 kings 6:18:

'As the enemy came down towards him, Elisha prayed to the Lord, 'strike these people with blindness'. So he struck them with blindness as Elisha had asked'. (2 kings 6:18).

Although he later prayed and their eyes opened, the vengefulness of his prayer was clearly demonstrated initially.

This same Elisha when mocked by some youth as baldheaded called down a curse on them in the name of the Lord and two bears emerged from the forest to devour forty-two of the youth (2kings 2:23-24). These are patent demonstrations of the men of God praying against the enemy and not praying for the enemy to repent.

The Psalmist is considered a critical practitioner of vengeance prayer with countless caustic attacks on the enemy in prayer. In Psalm 54:5 David prayed:

Let evil recoil on those who slander me; in your faithfulness destroy them. (NIV)

And in Psalm 69:22-28, he prays

'May the table set before them become a snare; May it become retribution and a trap. May their eyes be darkened so that they cannot see; and their backs are bent forever.

Pour out your wrath on them; let your fierce anger overtake them.

May their place be deserted; let there be no one to dwell in their tents.

For they persecute those you wound; and talk about the pain of those you hurt.

Charge them with crime upon crime; do not let them share in your salvation

May they be blotted out of the book of life and not be listed with the righteous.' (New International Version)

Indeed, this is no soft prayer on the enemy; it is a total onslaught to obliterate him. And even much more frightening is David's prayer against the enemy in Psalm 109:6-15:

'Appoint an evil man to oppose him; let an accuser stand at his right hand.

When he is tried, let him be found guilty; and may his prayer condemn him.

May his days be few; may another man take his place of leadership.

May his children be fatherless and his wife a widow.

May his children be wandering beggars; and may they be driven from their ruined homes.

May a creditor seize all he has; may strangers plunder the fruits of his labor.

May no-one extend kindness to him or take pity on his fatherless children

May his descendants be cut off; their names blotted out from the next generation.

May the iniquity of his fathers be remembered before the Lord; may the sin of his mother never be blotted out.

May their sins always remain before the Lord; that he may cut off the memory of them from the earth'. (New International Version)

If these great men of God prayed vengeance on their enemies, it stands to reason that Christians must continue praying in like manner without ceasing. Some Christians of today pray invoking the Holy Ghost fire to

destroy the enemy and his evil plots. Christians claim there is immense power in the fire, destroying the enemy and sometimes manifesting physically when the enemy confesses having burning sensations because of contact with the Holy Ghost fire and requests to be prayed for, for stoppage of these sensations.

The fire must keep burning. In Leviticus 6:12 God told Moses:

The fire on the altar must be kept burning; it must not go out.

This fire is symbolic of the prayer of the righteous; it snowballs with increase in the intensity of the Christian's prayer and if it is smothered, the Christian becomes weak in prayer and falls prey to the enemy. If the fire is dimmed or quenched, the enemy has his way and countless problems ensue, both physical and spiritual ranging from poverty to diseases. Again, the smothering of the Christian's fire is followed by total darkness in

his life. This is an unpleasant situation and so Christians endeavor to forestall it with incessant invocation of the fire to break the bones and destroy the enemy.

3.0 Concluding remarks

A perusal of these two antithetical theories demonstrates the Janus-faced posture of the Bible as regards how the Christian may manage relations with the enemy in terms of prayer. Hence one can only conclude that the Good Book is two-faced in this connection. On one hand, it prescribes softly-softly prayer in dealing with the enemy and on the other, requests the Christian to go hard on the enemy in prayer since the enemy is capable of great mischief. The lessons one learns here is that there is no straight-jacketing or 'one-wayness' in prayer as far as dealing with the enemy in prayer is concerned; for God is not a one-way God. It seems that the Christian has all the liberty to decide how to approach prayer in dealing with the enemy depending on his/her mood at any point in time.

MAIN ARTICLES

E-COMMERCE IN GHANA

**Charles Buabeng Andoh,
Eva Esther Shalin Ebenezer,
Abena Asamoah Afriyie and
Harry William Tachie-Menson Jnr.**

Abstract

In this study, the main focus is on e-commerce in Ghana with emphasis on e-commerce sites and their implications to the customer. Other issues such as factors that encouraged and/or discouraged the adoption and implementation of e-commerce were also studied. Observation and interview methods were employed to collect data. 100 websites of business entities were examined to know the website interface for features that attract customers to initiate a transaction and information that aids customers in making choices as well as the kind of applications used in the initiation of a transaction and how difficult these applications are. In all a total of 300 people were interviewed comprising 100 owners/managers, 200 internet users randomly selected to find out if they had adopted e-commerce in their areas of endeavor. Descriptive statistics were used to present data. The results of the research revealed two levels of e-commerce websites. Level 1-sites had information on products and services, prices/charges, company profile and link to other sources. Level 2-sites allowed online ordering, online payment, online auctions, product referencing/customization and privacy laws.

Introduction

For over two decades, the adoption of the World Wide Web and the internet has become very common in Africa and is catching up fast with its European counterparts. Most companies are becoming aware

of the necessity of incorporating the internet into their businesses but frequently the companies use the internet service for communication purposes. In Ghana, very few companies have realized the importance of internet and e-commerce in their businesses. In Europe and other developed countries, e-commerce is

popular among many citizens because it cuts down transactional costs and opens up new distribution and marketing channels among economic stakeholders such as businesses, consumers as well as governments (World Bank report on Ghana's telecommunication, 2006). It is rather unfortunate that Africa has failed to seize these opportunities and now has to play catch up.

The main focus of this research is on e-commerce in Ghana with emphasis on e-commerce sites and their implications for the customer. Other issues such as factors that encouraged and / or discouraged the adoption and implementation of e-commerce were also studied.

E-commerce (EC) has many definitions. However, for the purpose of this research, (Kalakota & Whinston, 1997) definition is adopted:

- EC is the process of adopting technology to automate business transactions and workflow.
- EC is the ability to buy and sell products, information and services through the internet and the World Wide Web (www).

Literature review

Globalization and information technologies (IT) are drastically transforming the activities of both businesses and organizations. Organizations that have invested in IT infrastructure are accepting and integrating IT specifically for the success of their business. Awareness of EC as a way of transacting business is increasing exponentially and now it is a priority for several companies (sharp, 1998).

Kalakota & Whinston, (1997) defines e-commerce as the buying and selling of products or services through the internet. Similarly, (The Cabinet Office, 1999), defined EC as not buying and selling only but also the use of electronic data transmission by companies via the internet to either exchange or deliver information internally or externally. Some researchers (Prescott and Conger, 1995; Van Slyke, 1997; White et al., 1998) claim that EC is a bunch of separate innovations instead of a simple innovation. Businesses can make a range of selection from these innovations and use them in the order they desire.

Benefits of e-commerce

E-commerce provides many benefits to both suppliers and buyers. According to Napier et al, (1999), adopting EC, reduces information on markets segments that are widely spread to suppliers and buyers. while Chaudhury & Kuilboer, (2002) EC improves product quality and provides new ways of selling products. Further, it gives customers quick access to more quality information than before. Online transactions offer an environment which is rich in information. This information-rich environment helps companies to identify, match and improve product innovation. Evidence suggests that a company that reacts quickly to customers' requests and supports their buying decisions builds their confidence and loyalty (Singh et al, 2001). E-commerce applications make it easier for customers to choose and order products according to their personal and unique specifications. Similarly, EC assists customers to choose from a wide range of transactions electronically instead of over the telephone, by mailing or in person. E-commerce gives companies improved efficiency and reliability of business processes through transaction automation. However, despite the numerous potential benefits of EC,

its use is limited in Ghana.

Categories of EC

The three forms of e-commerce are: Business-to-business transactions (B2B), business-to-consumer transactions (B2C) and consumer-to-consumer transactions (C2C). B2B e-commerce is the largest form so far, but the two B2C and C2C have been growing rapidly in recent years due to the fast development and diffusion of the Internet and, more recently, on increased broadband access (OECD, 2009). A review of the literature revealed that the number of consumers purchasing goods and services over the internet has increased from 26.9% in 2004 to 35% in 2008 (OECD, 2009). B2B e-commerce is defined as "e-commerce between companies" (Andam, 2003). This kind of e-commerce deals with relationships between and among businesses. Approximately 80% of B2B is e-commerce. It is predicted that B2B will continue to grow faster than B2C segment (Andam, 2003). Most B2B applications are in the areas of supplier management (especially purchase order processing), inventory management (i.e., managing order-ship-bill cycles), distribution management (especially in the transmission of shipping documents), channel management (i.e., information dissemination on changes in operational conditions), and payment management (e.g., electronic payment systems or EPS).

"Business-to-consumer e-commerce, or commerce between companies and consumers, involves customers gathering information; purchasing physical goods (i.e., tangibles such as books or consumer products) or information goods (or goods of electronic material or digitized content, such as software, or e-books); and, for information goods, receiving products over an electronic net-

work" (Kalakota & Whinston, 1997 cited in 2003). According to Andam (2003), B2C is the second largest form of e-commerce. The more common B2C business models are the online retailing companies such as Amazon.com, Drugstore.com, etc. Other B2C examples involving information goods are E-Trade and Travelocity. B2C is common in the areas of purchasing products and information, and personal finance management, which pertains to the management of personal investments and finances with the use of online banking tools (Kalakota & Whinston, 1997 cited in Andam, 2003). According to ((US Census Bureau, 2009a), B2C e-commerce is growing fast; however its impact remains relatively low, particularly when compared to traditional retail and B2B e-commerce. In the United States, for example, B2C e-commerce retail sales have grew to USD 133 billion in 2008, up 5 % from 2007 accounting for less than 4 % of total retail sales. B2B, on the other hand, generates USD 3.1 trillion in sales, accounting for over 27 % of total B2B transactions.

C2C is defined as commerce between private individuals or consumers. It is described by the expansion of electronic marketplaces and online auctions; particularly in vertical industries where firms/businesses can bid for what they want from among multiple suppliers (Traderinasia.com, 2002 cited in Andam, 2003). According to Andam, (2003), B2C is in the areas of:

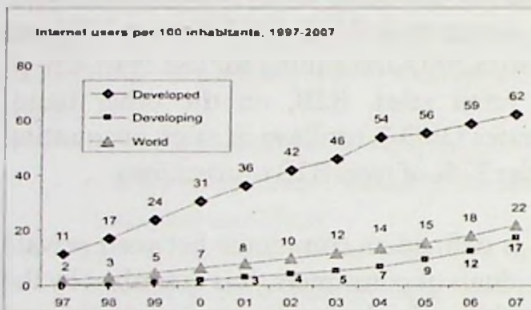
- auctions facilitated at a portal, such as eBay, which allows online real-time bidding on items being sold in the Web;
- peer-to-peer systems, such as the Napster model (a protocol for sharing files between users used by chat forums similar to IRC) and other file exchange and later money exchange models; and

- classified ads at portal sites such as Excite Classifieds and eWanted (an interactive, online marketplace where buyers and sellers can negotiate and which features "Buyer Leads & Want Ads").

Factors influencing EC growth

One of the factors influencing the growth of EC is the increase in the number of people connected to the internet. Approximately 22% of the world's population used the web in 2007 as shown in fig. 1. Most internet users were from developed countries where the number of internet users grew to 62% of the population in 2007.

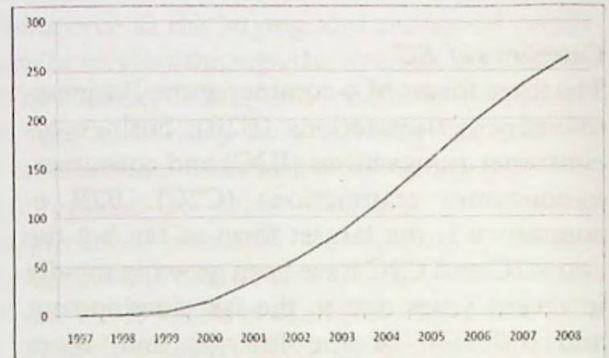
Figure 1. Internet users per 100 inhabitants 1997-2007



Source: International Telecommunications Union's World Telecommunication Indicators Database, at: www.itu.int/ITU-D/ict/statistics/ict/graphs/internet.jpg.

The second factor that has influenced EC growth is the broadband penetration and the increase in use of mobile devices. Fig. 2 shows the broadband subscriptions in OECD areas. According to (OECD, 2008b), consumers with high speed broadband internet are active in purchasing online compared with consumers having low internet speed. For instance, in Ireland and Finland, internet users having high speed internet connection were more active in EC than those having low speed internet connection (OECD, 2008c).

Figure 2: OECD broadband subscribers, million (1997-2008)



Source: Data collected from the 2009 OECD Communications Outlook (OECD, 2009b) and the OECD Broadband Portal, at: www.oecd.org/document/54/0,3343,en_2649_34225_38690102_1_1_1_1,00.html.

Lastly, the presence of e-retailers is also influencing EC activity. According to an EC report, in countries where there is a high number of retailers selling online, more consumers also purchase products or services on-line (EC, 2009a). Other factors, such as the creation of new websites and supply diversification, are seen as drivers for e-commerce growth (FEVAD, 2009).

E-commerce websites

EC websites provide for buying and selling of products and services online to customers. For instance, eBay is the largest auction store. There is limited study on identifying the features that attract customers to shop from EC websites. Researchers (Agarwal & Venkatesh, 2002; Chen & Wells, 1999; Ranganathan & Ganapathy, 2002) have studied categories of websites such as search engine, entertainment, communication, data sharing etc. Olsina et al., (2001) conducted a study on six websites of universities to identify the features of the websites that attract users for use. The most feature of the website revealed by the study was usability followed by functionality, reliability and efficiency. In a similar study, (Abels et. al, 1997) cited navigability as important features

for online shopping. In addition, customization has been identified as a significant feature for search engines. However, what these studies failed to research was the features of EC websites that attract customers to transact business.

Research methodology

This section of the report outlines the steps taken to gather the needed information required for the research. It continues to discuss and interpret the results of the research conducted with respect to the topic being researched. To empirically evaluate the adoption and use of e-commerce in Ghana, in-depth interviews were conducted with members of selected business entities, some customers and a sizeable number of websites of goods and service providers was observed. These methods of data collection were adopted because the research is people centered and the best way to be able to get good responses was to interact with people.

Population

The population of interest for this study was customers who in more than one way use the internet and owners of EC websites. In all a total of 350 people were interviewed to find out if they had adopted EC in their areas of endeavor. The population comprises 100 owners and 250 users of EC.

Data collection

The research was carried out by means of observation and semi-structured interviews. An observation of 100 websites of business entities was carried out. The criteria used included: (i) critical analysis of website interface for features that attract the customer to initiate a transaction and information that aids customers in making choices, (ii) analysis of the kind of applications used in the

initiation of a transaction and how difficult these applications are and (iii) analysis of the number of clicks a customer makes before completing a particular transaction. In addition, initial 50 customers who in more than one way use the internet and 100 owners were interviewed to find out if they have adopted e-commerce in their areas of endeavor. The information from these sources was gathered, compiled and analyzed. Further, a probability sampling method was used to randomly select 200 users of e-commerce for more detailed interviews, in order to gain a deeper understanding that would assist in the interpretation of the result.

Data presentation and analysis

In this section, data and descriptive statistical analysis were presented without discussing the implication of the findings. Tables and figures were used to complement textual material where data could not be presented in a few sentences in text.

(i) Observations

During the observation of the websites we looked for dynamism, how frequently the content of the websites changed but still made sense to customers. 40% of the websites belonged to government agencies, 25% were websites owned solely by native Ghanaians and 35% were websites of companies owned by multinationals.

The first thing to observe was the features and the amount of information on the web pages, if they were attractive and relevant information to customers satisfied with transactions. Technical information on products and services, information on upcoming events and the prices of products and services were observed. The websites were also examined to find out if they were linked to other sources of

information and the company profile or history since some customers check the credibility of the company before initiating a transaction.

Secondly, the type of applications the websites used was observed to see, if they were user friendly or not. The applications on the website should be flexible to be used by the customers, reducing the number of clicks a customer has to make before eventually completing one single transaction. This prevents the customer from eventually closing the web page because he or she is bored or ran out of time associated with that transaction. When this problem is addressed users can finish one transaction quickly and proceed to the next, and the next, increasing sales between them and the company in question.

Some of the websites observed had features such as prices/charges, company profile and links to other sources, but had no information on products both on sale and yet to be, and no applications that allowed customers to initiate transactions. These websites were categorized as Level 1 and Level 2 sites. Park and Kim (2003) asserted that quality information on product and service helped to win customers' trust in EC websites. Level 1 sites had features that allow online ordering, online payment, online auctions, making product preferences, prices/charges, links to other sources of information and also laws of privacy but had inadequate information on products and no company profile. Evidence suggests that information on company's profile in EC websites forms good reputation in customers' minds (Donney & Cannon, 1997; Yoon, 2002). These websites were considered EC websites, but lacked some features.

The second category of website had all the features of level 1-site in addition to adequate information on the product and service, company's profile and search engines. This was classified as level 2-site. Of all the websites observed, 57 were Level 1 sites and 43 were Level 2-sites as shown in *table 1* below:

<i>Website categories</i>	<i>Total number</i>
Level 1 sites	57
Level 2 sites	43

Table 1: Categories of e-commerce websites

Interviews

During the interviews with the managers of firms, questions were formulated to find out whether or not they had a website or not. Those who answered in the affirmative were asked if their websites were dynamic. Their general views on e-commerce were also inquired. After interviewing the managers, the firms were categorized into 3 types of users namely non-user, thin user and fat user.

Non-users refer to the firms that do not have websites at all. 5% of the managers confessed that even though their return on one transaction was averagely low, the nature of their work did not need a website. They were convinced that information technology is just an add-on in business establishments. One manager said, "we just use it to receive and send emails because it's the new trend and faster." It was also observed that most of the employees of such firms had little or no knowledge in information technology. Regardless of this fact, they were not actually ready to change from traditional paradigm of transacting business to the present trends. When asked about their successes over the past

years their response was that they had not been able to achieve their target for the past five years and blamed it on the economy.

One of the managers blamed the government saying, "The Government fails to provide support for our businesses so we rely on our own returns and please ICT has nothing to do with our past failures. The Government is fully responsible." Others on the other hand realized that most of their competitors were doing well with the help of information technology but found it extremely expensive and complicated to implement now. Some concerns raised included training of staff, purchasing of computers, building a working website with its continuous update and internet access. Another important point that was raised was the possible laying off of some workers not on the basis of incompetence but because of the introduction of the automated systems that reduces the workforce needed. It was noted here that change was something that both employers and employees failed to accept not only because they could not afford it, but because it would have lasting implications on them they could not afford to endure, they just avoided it completely.

A thin client is a network computer without a hard disk drive, whereas a fat client includes a disk drive. The Thin and Fat users fall under the same category; they are companies that have websites. Managers of both firms were interviewed to find out more specifically what information technology and in this case the establishment and maintenance of a website has done for their firms.

Managers of Thin user firm environment acknowledged the great returns that websites provided them. By using the internet as a means of making their products and services

known, more and more people get to know what they do and tend to initiate business transactions with them. "It was so difficult initially when we decided to build a website and maintain it; the cost too played a major role but now we are enjoying the full benefits of the site and we are working towards improving upon it very soon" one of the managers said. The employees in such environments too were pleased at the successes they had chalked over the years since hosting their websites. They confessed that work had been made a lot easier especially for those in marketing departments. They are able to reach their customer base with a more simple and easy approach than the traditional billboards, radio and television advertisement.

During inquiry it came to light that most of the chief executive officers of these firms were foreign nationals and only a handful were indigenous Ghanaians who have learnt to appreciate information technology enough to implement it in their daily activities. The employees of such firms were mostly graduates with full working knowledge of information technology and the ability to apply it to the work they do. The benefits they have derived from the full implementation of e-commerce is enormous as compared to competitors in similar lines of business who do not implement e-commerce. They are able to reach as far as international markets with their products and services and annual returns are always above target. The table below categorizes the total number of firms we tested into Non-users, Thin users and Fat users and their company outcomes as per their usage of e-commerce. Of all the firms interviewed, 19 firms were non-user, 60 were Thin-user firms and 21 were fat-user firms.

Further, managers were required to answer positively or negatively if e-commerce would basically bring change in the way organizations would carry out business in the next three years. A positive response from every manager indicated an increased possibility of adopting and implementing e-commerce strategies. However, managers in Non-user environments did not believe that, that will mark the collapse of their businesses. They have confidence that no matter how far Ghana develops in the ICT sector there will still be a sizeable number of Ghanaians who will always opt for the traditional paradigm. In contrast the other managers are looking forward to a more exciting business environment as Ghana moves gradually towards the global trend and are putting sound measures in place in preparation for that era.

The next question put to managers was if they thought e-commerce would help them better manage their inventory. Most of the responses we received were affirmative, in that digitization of data storage even when e-commerce was not implemented had always been the best alternative therefore the two combined would definitely be a step in the right direction. Most of these websites have databases attached to them which store any data used on these sites. In Fat- user environment where some transactions take place online there is immediate record of such transactions which immediately updates other related records. The two most advantages cited were (i) easy manipulation and access of information when ever needed and (ii) data was not bounded by any boundaries and could be moved to any location whenever needed.

The third question asked managers was if they thought making technical information

regarding products available on the website was difficult. A positive response, probably a "yes" to this question indicated that managers did not think it was important to make available technical information regarding products and definitely did not know how much they would earn from doing it. A negative response from the managers indicated they knew how much profit they would make out of making such information available and an increased possibility of them adopting and implementing e-commerce strategies.

The fourth question required managers to state if they thought it was difficult to establish personal relationships with customers over the internet. A negative response, probably a "no" indicated a high possibility of e-commerce adoption and implementation. Most of the managers clearly stated that it was much more difficult when done in physical context than over the internet. Their reasons though quite varying all boiled down to a single fact; the internet already has a way of drawing users to itself. All you have to do is to work a little harder to make sure that websites are as dynamic, easy to use, with exciting products and services and accessible as you can and the customer will automatically get glued to it.

Findings

100 e-commerce websites were examined. The categories of e-commerce were divided into three. The study revealed that basic websites had features such as prices/charges, company profile and links to other sources, but have no information on products and no applications that allow customers to initiate transactions. Level-1-sites allow online ordering, online payment, online auctions, making product preferences, prices/charges, links to other sources of information and also laws of privacy but have inadequate information on

products and no company profile. The level 2 websites had all the features of level 1-site in addition to adequate information on the product and service, company's profile and search engines. Level1-sites were 57, 43 were Level2-sites.

Of the 40 government agency websites observed, Level1-sites were 92.5%, 7.5% were Level2-sites. Of the 25 locally owned private websites, 60% were Level1-sites, 40% were Level2-sites. Of the 35 multinational owned private websites, 14.69% were Level1-sites, 85.71% were Level2-sites. Table 2 below indicates the percentage of websites under every category of e-commerce websites.

Category	Government websites	Owned Private Local websites	Private multinational websites
Level1-sites	92.5%	60%	14.69 %
Level2-sites	7.5%	40%	85.71 %

Table 2: categories of e-commerce websites based on company ownership

To conduct face-to-face interview to collect data, a structured instrument developed and validated was used. Out of the 100 owners/managers: contacted, 92 responses were obtained – representing a 92% response rate. Of all the responses got from the managers, strategic decision support, information management and organizational support were factors found to contribute to the knowledge of perceived strategic value and adoption of e-commerce by most owners and managers.

After interviewing managers, some customers were randomly selected and also interviewed to know their concerns in relation to e-commerce in Ghana. The customers were

asked just two questions. These were:

1. If they thought e-commerce was a better option to the traditional way of transacting business.
2. If they shopped on the internet

Of the 200 customers contacted, 120 of the customers gave a “yes” to the first question but stated that the websites did not provide enough information to make transaction processes easy. 50 of the customers we interviewed gave a “no” to the first question because they thought all Ghanaians are not computer literate and not all have easy access to the internet. Only 30 of the customers gave a “yes” to the second question.

Other findings that were found to affect business transactions in one way or the other were:

(i) Perceived Usefulness: From our results, we realized that the managers readily adopted e-commerce and became thin users but as to the implementation of all requirements needed to make them fat users they needed a lot of convincing to know the usefulness of having all the required features on their websites. Most of them felt making their products known on the World Wide Web was more than enough to bring them the returns they wanted. Some concerns too were raised on security issues one has to adopt to ensure safety of online transactions and their unpreparedness to go through such hassling situations. They are very content with the state of affairs of their companies now and will move with the pace at which technology is developing in Ghana.

(ii) Ease of Use: One other factor that raised many concerns was ease of use. Most of these companies believe the average Ghanaian has

very little knowledge about e-commerce therefore designing an interface for that purpose will be quite difficult. Explaining further, they pointed out that a working e-commerce site must have certain features like forms, which comes with security checks to ensure that the user is authentic, that the average Ghanaian will find absurd. They were not ready to compromise that since it would cause great revenue losses and therefore will stick to just a hosted website with all the information you may need.

(iii) Compatibility: The average Ghanaian consumer is used to the usual hustle and bustle way of transacting business. Most Ghanaians would prefer to see and also have a feel of whatever commodity they are purchasing so as to get value for money. E-commerce however does not provide such opportunities. Goods are displayed on a computer screen and customers have to browse through until they come up with a pick, purchase it online and it is later delivered which is huge contrast to what Ghanaians call shopping. There are compatibility issues between what the Ghanaian describes as shopping and technology based shopping. Companies who have adopted e-commerce outlined some major challenges they are facing. They claim most of their customers online are foreigners, only a handful are Ghanaians.

(iv) Organizational readiness: In every society or organizational setting, change is obvious as it is one of the most dynamic things in the world. Unfortunately though, most people fear change because of its possible implications. From the research conducted and responses received it was quite clear especially in the Non-user environment that they were very aware of e-commerce but

were not ready to accept it because of the possible effect it may have on the company. The other managers from the other user environments also outlined some of the challenges they encountered in implementing e-commerce. "Employees in general become less cooperative anytime we mention change," one complained. It will be very difficult to shift totally from the traditional paradigm especially in the Non-user environment because the employees are not ready to embrace information technology for fear they might lose their jobs. Some managers too are not ready to invest in acquisition of new equipment or even training of staff for the purpose of e-commerce and thus will continue doing business the old fashioned way.

External Factors

Apart from the above factors hindering the progress of e-commerce in Ghana, some external factors equally affect it as well. Most managers cited external factors such as:

(i) Competitors: Competition among corporate bodies tend to affect the implementation of e-commerce in that some companies feel their competitors are doing better without information technology and therefore do not see the need to implement e-commerce to incur extra cost that will fetch them the same revenue as the traditional way of transacting business.

(ii) Economic instability/cost – The general economic status of the country does not allow for the adoption and implementation of e-commerce. The shift from the traditional paradigm requires the acquisition of computers and their accessories including internet service providers that in our part of the world are very expensive, thus, companies find it difficult to take such risks that may bring losses or not fetch that much revenue to make up for

the cost involved in its implementation.

(iii) Internet service providers – Until recently, internet service providers were limited in number in the country. The sector was solely managed by Ghana Telecom now Vodafone. Presently, a sizeable number of internet service providers have sprung up in the city yet the problems that most companies face as a result of access to large uninterrupted bandwidth at affordable cost is still very bleak. Most of these service providers do not provide the consumers with the service they pay for, and also do not have packages for individuals and homes, making it difficult for those who do have access to internet cafes in their neighborhoods to enjoy services provided on the World Wide Web at their own convenience. Since most of the target audience of those who establish e-commerce sites are the general public and the majority of them do not have access to the internet as and when they wish the companies then do not see the need to do so anymore.

(iv) Government policy and laws – Though technology is quite new in the country, most governments ensure that they draft policies or laws that cater for emerging trends in information technology. Until recently there were no laws that protected individuals who did business online and this created a huge scare among individuals who were interested in e-commerce since some Ghanaians were able to defraud some foreigners of cash and goods or even both. One of such laws is currently being considered in parliament to check cyber frauds. Most companies expressed worry that until this law is passed and is fully functional, the adoption and implementation of e-commerce would still be a huge challenge.

(v) Security issues – a customer will be

comfortable enough to initiate business transactions online only if they are sure that information being given is secure. The companies fear security will be a major hurdle in the full adoption and implementation because customers live under the fear that their credit card details will be used for dubious activities. Ghana has been banned from using credit cards on any online transaction, only credit cards issued by international banks can be used by Ghanaians outside the country to transact businesses online and sometimes this is by close supervision. One of the managers points out that, "Indeed, doing nothing serious to curb this menace may mean that not only will orders from Ghana be blocked by foreign traders, but we could also be shutting ourselves out of future sales to those countries. Given the significance of e-commerce in future international trade and commerce, it would be suicidal for Ghana to establish a bad reputation for herself in that area."

Our results suggest that the three types of users influence the prospect of e-commerce adoption and implementation. All the interview questions posed to managers made it crystal clear that their perception of the impact of e-commerce adoption and implementation is statistically significant with the type of user they become. We analyzed the features that distinguished the type of users and outline a list of factors that influence the implementation of EC strategies. These factors included transaction, payment, negotiations and customization, information availability, transportation and time. The research findings suggest that these factors increase users' awareness of improved efficiency gains in the use of the internet, thereby creating a high probability of users' adopting and implementing EC. While transportation influences the adoption of e-commerce strategies, transaction and time are

more influential in explaining the incorporation of e-commerce business strategies, and thus adoption and implementation.

Conclusion

There are many developments, which we should expect to see in the near future which will see electronic commerce spreading widely throughout the country. Whenever there are such huge changes in technology, there is always a lag period before our laws can be updated and modified to suit the new commercial environment. Further research is required to investigate the social implications and consequences of new and emerging technologies in relation to how they may affect people's lives. As we move further down the digital road further issues will begin to arise which will have widespread implications on e-commerce in Ghana. Issues which need to be addressed are:

- What issues relating to online shopping are consumers concerned about?
- Will there be implications for the built environment?
- Will work patterns change as a result of increasing activity online?
- How might online activity affect people's behaviour?
- Will the new information be as divided as 'normal' society?

One of the most important issues which need to be made clear to policy and decision makers is that the internet and digital television is really no different from any other tool, service or facility available to the public. The same problems of uneven access dependent on social status and conditions will play just the same part in the use of and access to the Internet as all other services and facilities in society.

As a final word, it may be worth remembering that while this new technology is having profound effects on the way many people live their lives it is not as if we have not coped with technological revolution before.

Recommendations

Ghana, the gateway to Africa, is trying to move ahead of many of her peers in ECOWAS in tying ICT issues to development in general and in pursuing e-commerce in particular. However, special efforts must be made to meaningfully include the private sector particularly merchants, the legal profession, and financial services and information technology industries and civil society in the policy and legislative formulation process. This is particularly important because the means by which these important stakeholder groups can participate in this proposed regional process is less obvious than for policy and legislative efforts at the national levels. Also, involving these stakeholders should help create advocates at the national level and thus improve buy-in and widespread implementation.

Ghana must also recognize that to successfully deploy e-commerce, the effort must go beyond creating laws to include government actively utilizing electronic delivery platforms for its own use for both its interactions with business and fundamentally for the delivery of government services through e-government. On the latter point, it should be noted that many of the issues relating to e-commerce, from data security, privacy, cyber-crime to e-payment solutions and electronic records, are equally relevant for e-government. Consumers will not take advantage of these if they are not assured a proper level of protection. They must be confident that the on-line world is a safe place to shop.

Consumers need protection against fraudulent, misleading and unfair behavior, and, when things go wrong, should be able to gain redress. It will be necessary to keep the regulatory framework under review so that consumers have effective protection when engaging in electronic commerce. Self-regulation may have an important role to play. As cross-border shopping increases there will be a growing need for international co-

operation on questions of enforcement, dispute resolution and redress. Businesses, consumer organizations, governments and other bodies have significant parts to play in informing and educating consumers about how they are protected in the new marketplace. Further, efforts should be made to identify and facilitate the development of e-commerce projects with high impact potential especially among the general public.

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FACTORS INFLUENCING THE RECRUITMENT AND RETENTION OF NURSES IN THE NZEMA EAST DISTRICT

SABINA ABENA BILSON (MRS.)

Abstract

Recruitment and retention of nurses is very crucial in the human resources and development of the Ghana Ministry of Health. The exodus of Ghanaian nurses to seek greener pastures has created a lot of problems in the area of staff recruitment and retention. This article examines (a) the factors that attract nurses to the Nzema East District (NED); (b) reasons nurses give for accepting to go on transfer to NED; (c) factors that militate against the continuous stay of nurses in the NED; (d) factors that enhance the continued stay of nurses' of NED; (e) the motivating factors nurses recommend for their retention. The outcome of the research were as follows: (a) Marriage formed the greatest retentive factor for nurses in NED; (b) nurses aged above 45 years preferred working in their own districts, but younger nurses preferred working in places away from their home towns; (c) midwives formed the largest grade and were most highly retained nurses in NED. Push factors for nurses in NED were identified as; (a) lack of transportation to implement outreach programmes; (b) lack of opportunity in the district for further education; (c) lack of accommodation and (d) dissatisfaction with Additional Duty Hours Allowance (ADHA). The research was done in 2004 for a Dissertation, submitted in partial fulfilment of the requirements for the award of the MA Degree in Educational Administration, University of Cape Coast.

Introduction

The importance of nursing in the health delivery system in Ghana cannot be over emphasized. However, the exodus of Ghanaian nurses who seek greener pastures elsewhere remains a bother to the govern-

ment, health system and the general public. History shows that since the early 1980s, there has been a massive departure of nurses from Ghana to developed countries such as Britain and the United States of America, for better working conditions of service. Even if nurses in urban areas seem to be dissatisfied with the

conditions that pertain to their workplaces, it is likely to be worse in such rural and deprived areas as NED. If recruitment of nurses in NED is not an easy task, then retention in the district will be even harder. This research was conducted in 2004 for a Dissertation submitted in partial fulfilment of the requirements for the award of the MA Degree in Educational Administration, University of Cape Coast. It was realized then that 40 nurses served a population of 127,337 in the NED, which were covered by government health institutions. This implied that the nurse patient ratio was 1:3,183 as against the developed country nurse patient ratio of 1:50 (The World Development Report 1993). The health status of NED seems quite disturbing as the nurse population ratios continue to worsen. It is expected that the health status of NED could improve if population of nurses increased. This article tries to identify and prioritize the factors that could aid in the recruitment and retention of nurses in Nzema East District.

LITERATURE REVIEW

A number of books, journals and internet search were reviewed on the following topics: recruitment, induction process, theories of motivation, structure of rewards and retentive factors.

Recruitment

From Webster's New Explorer Encyclopaedic dictionary (2006), recruitment is a 'process of adding new individuals'. It is implied then, that recruitment could be done into basic education, second cycle institutions, tertiary institutions or organizations. According to Ndu (1992), recruitment is done by the school administrator to meet the needs of promotion, resignation, retirement and death. Thus, whether in student intake or in employing of

new workers an organisation is engaged in a form of recruitment.

Even though recruitment is simply explained, related literature reveals several methods of recruitment. Rebores (2001), mentions internal search, where promotions are needed. This method is highly employed by the Ghana Health Service. By this method the organisation searches through the trained personnel to identify those due for promotion. Internal search seems to be motivational to employees since outsiders do not struggle with this form of promotion. Colleges and Universities; as stipulated by Rebores (2001), and Ivancevich et al. (1994), keep files of performance of graduates for absorption of clever and well behaved persons. This method is employed in tertiary institutions in Ghana, for first class and second class degree holders' to embark on their National Service in the universities of learning, after which they can go on further with their education with second degree programs. Another useful method is Professional Organisation and labour unions, as observed by Rebores (2001), Strauss and Sayles (1967) provide placement for their members. After all, what is the purpose of professional institutions such as teacher training and nurses training institutions? They equip individuals with adequate skills to enable them gain useful employment. This latter form is combined with general advertisement and peer referrals as employees in organizations notify and recommend people they believe can perform a good job for employment. Gilbert (1995) also observes that 'peer recruitment pays off'. Thus, friends direct fellow expertise to needed organisations where their services would be useful.

Induction

According to Rebores (2001), induction is 'the

process designed to acquaint newly employed individuals with the organization and their colleagues'. An effective induction process then must have well-defined organizational objectives and policy placed at the disposal of the new employee. Since induction aims at making new workers 'welcomed', they ought to be introduced to old workers as well as the entire new environment to make him/her feel at home and to make a quick adjustment. Without induction the newly employed find themselves lost. Sometimes, new workers do not know where to find even toilet facilities and yet might find it embarrassing asking for such amenities.

Motivation

Virtually no productivity can be achieved in any organization without motivation. For workers to remain stable, for a university to achieve high standard of intake, for nurses to be retained in either a remote area such as NED or the city of Accra depends on the managers motivating skills. What then is motivation? Kretner (1985), Lussier (1996) stated that 'motivation gives an inner desire for an individual to work'. Theories of worker motivation try to explain people's inner initiatives and aspirations. These theories of motivation will be discussed briefly. They are: content, process and reinforcement theories of motivation. Content theories of motivation are based on the idea that 'people are driven to meet basic needs that produce satisfaction when they are met' Ivancevich et al. (1994). These content theories include Maslow's hierarchy of needs, Herzberg's two-factor theory (1996), and McClelland's achievement motivation theory (1971). Basic needs for food and shelter compel a growing adult to learn and obtain a good payable job in the future. The need for affection and belonging motivate males even to work more

seriously so a beautiful woman of his choice can be married. Managers should realize that delegating specific duties to subordinates, allowing them to take initiatives motivate them to put in extra effort since such activities drive them to do more work.

Process theories of motivation comprise expectancy and equity theories. According to Stoner et al. (1995), and Hansen (1996) 'people choose how to behave, based on their expectations of what there is to gain from behaviour'. In other words people compare working conditions of different organizations and choose to work where their services will be more worthwhile or more rewarding. It is therefore, not strange that successive governments of Ghana continue to train nurses and yet there is still exodus of nurses to countries like Britain and USA.

Whereas Process theories view motivation as internal factors working on the individual, reinforcement theories view motivation in terms of external factors. Skinner (1971) who propounded this theory contends that people's behaviour is earned through experiences of positive and negative consequences. Lussier (1996) further identified four types of reinforcement: positive, avoidance, extinction and punishment. Examples of positive reinforcement are showering of praises for good work done, and remarking well done for correct answers in class. No wonder students who excel in their performances are rewarded First Class honours; and above all, over all 'Best Student is given a special recognised by the University. Avoidance is negative or positive in the sense that if a worker attends a meeting late, he/she is reprimanded. Thus the worker avoids coming late to avoid being reprimanded. On the other hand, punishment is used to prevent undesirable behaviour.

Rewards

If managers assimilate motivational theories, they would appreciate and apply serious reward systems in order to retain workers. Psychologists indicate that satisfaction of needs is the motivation behind all actions. Satisfaction or reward might be money, promotion, recognition, acceptance, receipt of information, or the pleasant feeling that comes from doing a good job. Reward is said to be intrinsic when the reward has to do with doing the job itself. Examples are participation in decision making, increased responsibility, and opportunity for personal growth. Intrinsic rewards are equated to process and content theories of motivation. (As a principal of a nursing training institution, I was able to retain all ten tutors for eight years because I employed the principle of team work, recognition and encouraged each tutor to pursue further studies after he/she had completed two satisfactory semesters.) Extrinsic rewards are said to be direct and indirect. Direct compensations (Rebore 2001), deal with salaries and wages according to employee's skills. Indirect compensations or fringe benefits (Rebore 2001), (Ivancevich 1994), examples of which are: insurance programs, sick leave, vacation time, accommodation allowance and all financial benefits not directly included in direct financial compensation.

Retention

Retention implies getting suitable workers to stay with the organization for as long as their services are needed. The quality of organisational fringe benefits programmes can have significant effect on retention of employees. Conversely absenteeism and employee turnover, which are signs of employee dissatisfaction, can be kept to a tolerable level with good fringe benefits and salary

programmes that are continuously reviewed. Training: informal as well as formal, upgrading of knowledge in higher institutions to equip the employee with more competent skill is capable of staff retention. Training brings job satisfaction because it enables the employees to work with little supervision yet increases productivity. However, a Netherlands Recruitment Journal (1999) states that: 'Nurses and Midwives have always taken qualification as the key factors of the profession that is attractive to new recruits. This year over 2,000 nurses and midwives trained in UK are expected to work abroad '(p.7). Thus, nurses may change work environment for more knowledge and skill acquisition.

Furthermore, Decker (1985) indicated that nurses with more education tend to be less satisfied with their work. Other findings on retention indicate that retention of nurses has been closely linked both to job satisfaction and selected demographic factors. Significant relationships were found between job satisfaction and the demographic characteristics of marital status, distance travelled to work, and extended family responsibilities.

METHODOLOGY

The research design used was the descriptive sample survey that attempts to describe the relationship which exists between variables. This design also finds solutions to problems. Descriptive survey was adopted because there was the need to systematically examine the factors affecting recruitment and retention of nurses in the NED.

The study covered all categories of nurses: public health nurses, State Registered Nurses (SRN), midwives, community health nurses and enrolled nurses working in the five

sub-districts in NED. The target population of 40 nurses were all selected for the research. To enable the research to be publishable, it was necessary to use this census method since the population of nurses working in NED was too small for random sampling to be used. Gall, Gall and Borg (1998) explain that census 'includes all members of a real set of people'.

The study was guided by the following questions:

1. What are the factors that attract nurses to the NED?
2. What reasons do nurses give for accepting transfer to NED?
3. What are factors that militate against the continuous stay of nurses in the NED?
4. What are the factors that enhance the continued stay of nurses in NED?
5. What motivating factors do nurses recommend for their retention?

It was anticipated that answers to these questions would lead to the discovery of the factors that influenced nurses' long stay in the district. A detailed questionnaire is provided in the appendix.

DATA COLLECTION

The researcher carried out a pilot study at the Half-Assini Hospital, in the Jomoro District to find out whether the items on the questionnaire were worded properly and the amount of time that participants would use in filling out the items on the questionnaire. The researcher personally administered the questionnaire guide to the respondents. For the forty (40) respondents, 24 answered the questionnaire by

themselves at their convenience. Observing that time was not on their side, the researcher administered structured interviews to the other 16 respondents. By the combined methods of questionnaire and structured interview method 100% response was obtained. Responses were obtained from the DDNS through structured interview schedule, which was also administered by the researcher.

RESULTS

The study was aimed at finding out the factors influencing nurses' stay in the Nzema East District as well as strategies that would help health policy makers attract nurses to remote areas such as NED. Below is a description of the biographical variables of the respondents used for the study.

Distribution of Nurses in the NED

Nurses' distribution as per the four sub-districts was as follows: Axim/Nsein 21 (52.5%); Aiyinase/Asasetre 11 (27.5%); Esiaman/Nkroful 6 (15%); Aidusuazo/Kutukrom 2 (5%). The analysis is represented by a pie graph in Figure 1.

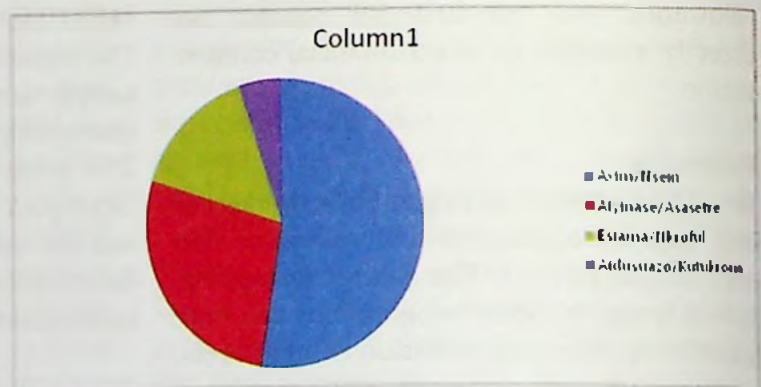


Figure 1: Distribution of Nurses in the sub-districts

It is observed in figure 1, that Axim/Nsein attracted a little above 52.5% of the total nurses sent to the district and the least number 5% were found in the remotest district namely Aidusuazo/Kutukrom. Axim the capital of NED has social amenities such as good schools, market, good communication system, mosque and churches. Furthermore, it takes an employee an hour's drive to reach Sekondi-Takoradi, the twin capital city of Western Region. Axim attracts a heavier labour pool as compared to Aidusuazo/Kutukrom which is localised further away from Sekondi-Takoradi, requiring about 10 –hour drive from the regional capital, Sekondi. Rebore (2001), identified certain variables in recruitment and stipulated that the existing condition in the community where employment is located affects recruitment.

Background Characteristics	Frequency	Percentage (%)
Marital status		
Married	25	62.5
Unmarried (Single)	10	25.0
Widowed /Divorced	5	12.5

Table 1: Marital Status of Nurses in the NED

Table 1 shows that 25 respondents (62.5%) of the nurses working in the NED were married with their spouses working in the district, whereas 10(25%) were single, and the remaining 5(12.5%) were either divorced or widowed. The implications show that placing married couples in the NED is a strong factor to retention. That majority of respondents were married has implication for future health policy, that is, placing married people to work in the same district may lead to retention.

Region	Frequency	Percentage (%)
Ashanti	3	7.5
Central	11	27.5
Greater Accra	3	7.5
Volta	4	10.0
Western	17	42.5
Upper West	1	2.5
Upper East	1	2.5
Total	40	100.0

Table 2: Home Region of Nurses in NED

From the analyses, 17(42.5%) respondents came from Western region and were working in their own region. Additionally, Central region followed with 11(27.5%) nurses working in the NED. This finding indicates that, proximity to nurses' home region was relevant to choice of placement, with aging nurses.

Reasons	Frequency	Percentage (%)
Happy serving my people	8	20.0
Attending to aged parent	5	12.5
Living with my husband	5	12.5
Learn different culture	2	5.0
To embark on certain projects	1	2.5
Total	21	52

Table 3: Five Top Factors of Retention in NED

The top five reasons underlying the retention of nurses in NED accounted for 52.5% involving 21nurses out of the total 40. From Table 3, it is clear that 8 (20%) respondents were retained for at least two to three years because they were happy serving their own people while 10(25%) were retained either to enable them attend to their aged parents or purely for marital reasons. From the study, relationships were found between job satisfaction and demographic characteristics of marital status, responsibilities towards extended family and the number of years

nurses worked in a particular work environment. This was similar to what was observed through research conducted over population of 330 nurses employed in 20 acute care hospitals in the West Bank of Palestine (reported in the International Nursing Journal, 1994).

Factor	Dissatisfied	Satisfied	No Response
Transport for Outreach	30	12.5	12.5
Accommodation	26	42.5	7.5
Additional Duty Hour Allowance	25	37.5	0
Travelling Allowance	27	22.5	10.0
Salary Advance	26	15.0	20.0

Table 4: Five Top Factors that lead to Nurses Dissatisfaction on the Job

As stated by Maslow's basic needs for man, accommodation is a security need and it is placed second on the hierarchy of basic needs of man (Maslow 1943). This finding implied that, as many as 57.5% could leave the district due to dissatisfaction with accommodation. These nurses could simply not be happy after working hours. Again, as many as 30 (75%) of respondents registered their dissatisfaction with the unavailability of transport to perform outreach programs. Transport needed for the performance of the job as Hertzberg (1968) puts it, is an intrinsic factor and hence a motivator. It came to light that nurses in the NED could not be unconcerned and satisfied with their job if clients in some distant communities could not be reached due to lack of transport.

Travelling and transport Allowance, is a fringe benefit enjoyed in the MOH/GHS; should a nurse travel for official duty on a private transport system instead of

MOH/GHS vehicle the nurse is supposed to claim the expenses. Ranking second on the list of factors of dissatisfaction, the study revealed that even though travel transport claim is a fringe benefit for nurses to enjoy, a good number of them did not have the privilege to enjoy it. The implication is that, since travel and transport is a 'hygiene' factor, (Hertzberg's) or reinforcement/extrinsic factor, it could push nurses away from the district. Another fringe benefit with which respondents were dissatisfied was salary advance, which ranked third. Twenty-six (65%) of respondents were dissatisfied while 15 (37.5%) only were satisfied. Failure to help a nurse with salary advance to aid him/her salvage a financial problem could register an administrator's unconcerned attitude to worker's welfare. Workers talk when they meet at workshops. It is therefore easy for dissatisfied workers to move to another district where managers are more caring. Such administrators could be deemed to be eccentric leaders and could imply lack of adequate training for the leadership position.

Reasons	Frequency	%
To join my family	7	17.5
To further my education	4	10.0
Poor administration	4	10.0
Unfriendliness of the people	2	5.0
Accommodation problem	1	2.5
Total	18	45.0

Table 5: Five Top Push Factors in NED

The study sought to find out the push factors that contributed to nurses leaving the NED within two to three years after arrival. An open-ended question was asked and the responses are shown in Table 5. The Table reveals a proportion of respondents that was unable to stay for two or three years.

Seven (17.5%) would leave the NED to join their families. Lauer and Lauer (1997) identified that some committed wives verbalised that each reunion with their husbands required time to re-establish the sense of intimacy. For economic reasons, those nurses had lived committed marital lives with the threats of difficult adjustment and possible threats of separations or complete divorce. Additionally, 10% of nurses would leave within two or three years in order to further their education, which is an established motivational factor. Rebores (2001) made the same observation that, it is literally impossible for an individual to take on a job or enter a profession and remain within his or her skills basically unchanged, and for this reason staff development is desirable.

Allowance (ADHA) and Bus for outreach placed second with 13 (16.25%) respondents each recommending those for staff retention in NED, whilst the provision of free utilities 8 (10.0%) placed third on the recommendation list. The rest were requisition for special allowance for workers placed in distressed areas; DDHS to show interest in nurses needs; scheme for housing loans and regular in-service training. The two nursing supervisors, however, recommended for nurses short stay in very remote sub-districts as against the DDNS' recommendation of arrangement of in-service education for auxiliary nurses to upgrade their SSSCE (Senior Secondary School Certificate) and regular visitation of DDNS to nurses in the district where their complaints could be listened to and addressed. Other

Expressed Need	Frequency	%
Free well furnished accommodation	20	25.0
Increased Salary and ADHA	13	16.2
Bus for Outreach Services	13	16.2
Free Utilities (Water and Electricity)	8	10.0
Special allowance for Distressed area worker	6	7.5
District Director of Health to show interest in staff problem	6	7.5
Nurses should be given housing loan	5	6.25
Regular in – service training	4	5.0
Institute Best Workers Award	2	2.5
Provi sion of snacks once a week	2	2.5
Total	80	100

Table 6: Nurses' Recommendation for their Retention in NED

Table 6, depicts nurses' felt needs that would motivate them for retention in NED. Two responses each were allowed. On the whole, 20 (25%) wanted free well furnished accommodation as a motivating factor for staff retention in NED; Increase of Salary or across board Additional Duty Hours

recommendations suggested by the nurses were the institution of Best Nurse Award in the district, and the provision of snacks at least once a week in the district. These latter two policies are implemented at the regional level and at least 3.75% of the respondents suggested those policies to be extended to the district.

SUMMARY OF FINDINGS

The results obtained after the data collection showed that the recruitment of nurses into the NED was by official transfer of old nurses

as well as placement of newly qualified nurses from the nursing training institutions. As an administrative principle, nurses requested for transfer to NED on marital grounds. It was also realized that the induction process in the NED fell short of organizational policy. It was apparent from the process that the induction process did not meet the major objective of early adjustment to the nurse's new

environment. This was because new nurses were not introduced to team members, neither were they introduced to the organizational plant nor the community where they were going to work. The researcher also realized that, nurses aged above forty-five (45) years living in the district and staying with their spouses were likely to be retained in the district.

CONCLUSION AND IMPLICATIONS

The study was aimed at finding out the factors that influence nurses stay in the Nzema East District. The findings from the study indicate that it is very difficult for nurses to accept transfer into distressed areas like the NED. It was also realized that, even when nurses have accepted placement to the district for administrative duties, they refuse to take up responsibilities in the remotest sub districts due to lack of social amenities, such as schools for their children, electricity and safe drinking water.

On the other hand, good accommodation, availability of equipments, materials, and transportation for outreach services were found to be sufficient factors to motivate and create job satisfaction for nurses in the NED. Moreover, the absence of these factors was a

sufficient push for the nurses to leave the district.

The implications of this study are that since nurses form the backbone of the Ghana health service, policy on placement should be outlined in such a way, that nurses who are nearing their retiring age and who come from the district could be encouraged to go on transfer to NED. Moreover, transfer policies must take into consideration the marital status of nurses. Furthermore, for younger nurses to further their education in their profession, they must be placed in very remote sub district and be transferred after two years of hard work.

It is very interesting to note that even though the research was conducted six to seven years ago the results are still relevant today. For example, young nurses are still left in remote Aidusuazo and Kwesikrom in the Ellembele District without transfer for as long as four years. The same scenario existed in the Brong Ahafo, Eastern and the Volta Region in 2009 when the researcher had the opportunity to train and share with midwives and community health nurses during CHPS Preceptor Training Workshops, as a Consultant with Population Council. How can such nurses get access to continuing education?

APPENDIX: QUESTIONNAIRE TO NURSES ON FACTORS INFLUENCING RECRUITMENT AND RETENTION OF NURSES IN THE NZEMA EAST DISTRICT OF THE WESTERN REGION

Introduction to Questionnaire

A study is being conducted on Factors Influencing Recruitment and Retention of Nurses in the Nzema East District for the Institute for Educational Planning and

Administration, University of Cape Coast. You are invited to participate in the study. Information given will be entirely used for the study. You are assured of anonymity and confidentiality. Thank you.

Please provide your answer to appropriate questions by ticking (), and where spaces are provided (.....) you may write your response. If the need arises you may use additional sheets.

Part One:

Background of Respondent:

1. Gender (a) Male () (b) Female ()
2. Age as at last birthday
(a) 21 – 44 () (b) 45 and above ()
3. Marital Status
(a) Single () (b) Married ()
(c) Divorced/Separated ()
(d) Widowed ()
4. Home/Region
(a) Western ()
(b) Other Region (specify) ()
5. Professional Status
(a) CHN () (b) CHN ()
(c) EN () (d) Midwife ()
(e) PHN () (f) QRN ()
(g) SRN/RGN ()
6. Which sub-district are you working in now?
(a) Axim/Nsein ()
(b) Esiam/Nkroful ()
(c) Aiyinase/Asasetre ()
(d) Kutukrom /Aidusuazo
7. b. For how long have you worked in this district?

Part Two:

Recruitment of Nurses

Please tick where applicable

8. How were you posted to this district?
(a) I applied for transfer ()
(b) I was posted straight upon graduating from the Nursing Training School/College/University ()
(a) I was transferred to this district ()
(b) Others (Please specify).....
9. If you had a choice, where would you have liked to work?
(a) Hometown/village ()
(b) Far away from home ()

Please give reason for your preference

(Answer).....
.....

10. If you were posted/transferred to this district, please give your reason for accepting the posting or transfer
a) Simply , work since I have no say ()
b) I come from the district ()
c) Can relate well with the people due to language affiliation ()
d) Wanted to be away from my people ()
e) Availability of suitable accommodation ()
f) Other/Specify.....
.....

7	Yes	No
(a) Are you staying with your family in the district?		
(b) If no, do you hope to join your family in the next 2 or 3 years?		

11. Tick Yes or No for the period of orientation.

	Yes	No
a) I was introduced to the District Health Personnel		
b) I was formally orientated into the hospital/health centre plant		
c) I was served with a written document showing the existing policy in the district		
d) I was given a job description		
e) I was given a preceptor/mentor		
f) Because of the orientation process I adjusted quickly to my new environment		
g) I was specifically oriented into the sub-district community		

12. On the whole score the orientation processes given me as:

Very Suitable	Suitable	Very Unsuitable	Unsuitable

13. Suggest what can be done to improve the process in 12 above

.....

.....

14. Do you hope to stay in the district for the next two to three years? Yes () No ()

Give reasons:.....

.....

15. Are you satisfied with your job description? Yes () No ()

Give reasons:.....

.....

16. Please tick the appropriate columns

	Very Satisfied	Satisfied	Very Dissatisfied	Dissatisfied
a) The respect you receive as a nurse from patients/community members				
b) Your relationship as a team member with other nurses				
c) Your relationship with your immediate supervisor				
d) Equipment and materials for work				
e) Transportation for outreach				
f) Accommodation				

17. Enjoyment of fringe benefit

	Very Satisfied	Satisfied	Very Dissatisfied	Dissatisfied
a. Salary Advance				
b. Study leave with pay				
c. Additional Duty Allowance				
d. Travelling and Transport Allowance				
e. Supervisor from the region				
f. Supervisor's personal interest in problem of staff				

18. Suggest three ways to motivate nurses to be retained in the district

- a)
- b)
- c)

INTERVIEW GUIDE FOR SUPERVISORS (PNO/SNO) IN THE DISTRICT

Introduction to Questionnaire

A study is being conducted on Factors Influencing Recruitment and Retention of Nurses in the Nzema East District for the Institute for Educational Planning and Administration, University of Cape Coast. The purpose is to find out the procedures you go through in recruiting Nurses into your (Institution/Hospital/ Sub-district/District Health Area).

You are invited to participate in the study. Information given will be entirely used for the study. You are assured of anonymity and confidentiality. Thank you.
Please tick () where applicable.

Section 'A' Recruitment

1. What is the staffing situation in your institution?

Very Adequate	Adequate	Inadequate	Very Inadequate

2. If there is shortage, for which category of nurses are the shortage marked? Please rank in order of magnitude, 1.....5.
1 stands for most marked

5 stand for least shortage

- a) CHN
- b) EN
- c) Midwives
- d) PHN
- e) RGN/SRN

3. What do you think is the main cause (s) of shortage of nurses in your health area?

- i).....
- ii).....
- iii).....
- iv).....

4. What category of nurses, usually refuse postings to the district?

- a) CHN
- b) EN
- c) Midwives
- d) PHN
- e) RGN/SRN

5. How long does your induction process take...?

6. Tick Yes or No for the following responses:

	Yes	No
a. Do you orientate new staff to the plant of the hospital/clinic/school?		
b. Do you formally introduce new staff to old staff?		
c. Do you assign new staff to preceptor/mentor?		
d. Do you make existing policy available to new staff?		
e. Do you assign new staff to specific duties?		
f. Do you demand a feedback or evaluation of the orientation process from new staff?		

Section 'B' Retention:

1. What category of nurses usually stays longer in your institution/sub-district/district?

Tick where applicable:

- a) CHN
- b) EN
- c) Midwives
- d) PHN
- e) RGN/SRN

2. What are some of the possible reasons that make the nurses stay longer in your institution/ sub-district/district?

- i).....
- ii).....
- iii).....
- iv).....

3. What, in your view, make nurses leave your institution/ sub-district/ district?

4. What do you think could be done to retain nurses in the district?
- i).....
 - ii).....
 - iii).....
 - iv).....

5. How do you deal with nurses who break the code of nursing ethics governing the nursing profession?

Thank You.

INTERVIEW GUIDE FOR THE DEPUTY DIRECTOR OF NURSING SERVICES IN THE REGION

Introduction to Questionnaire

A study is being conducted on Factors Influencing Recruitment and Retention of Nurses in the Nzema East District for the Institute for Educational Planning and Administration, University of Cape Coast. You are invited to participate in the study. Information given will be entirely used for the study. You are assured of anonymity and confidentiality. Thank you.

1. What recruitment procedures do you follow in receiving nurses in the region?
- i).....
 - ii).....
 - iii).....
 - iv).....

2. What major problems do you face in your recruitment of nurses?
- i).....
 - ii).....
 - iii).....

iv).....

3. What category of nurses, usually refuse postings/recruitment into the region?

Please tick

- a) CHN
- b) EN
- c) Midwives
- d) PHN
- e) RGN/SRN

4. What category of nurses, willingly accepts recruitment into the region?

- a) CHN
- b) EN
- c) Midwives
- d) PHN
- e) RGN/SRN

5. What category of nurses usually stays long in the region?

- a) CHN
- b) EN
- c) Midwives
- d) PHN
- e) RGN/SRN

6. What are some of the reasons given by nurses for their desire to leave the region?

- i).....
- ii).....
- iii).....
- iv).....

7. To what extent has the new proposal of MOH/GHS-1999 and Additional Duty Hours Allowance (ADHA) aided in retention of nurses in the region?

.....
.....
.....

8. Some nurses leave the region after about 2 to 3 years in the region. These are some reasons given. Please tick where applicable.

- a) Lack of social amenities
- b) To join spouse
- c) Lack of accommodation
- d) For further studies

- e) The remoteness of the region from Accra ()
- f) Lack of opportunity to do locum/part time in another hospital ()
- g) Lack of enjoyment of fringe benefits ()
- h) Behaviour of the people in the region ()
- i) Poor relationship with SNO/PNO/DDNS in your institution ()

9. What do you think could be done to retain more nurses in the region?

.....

.....

.....

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THE DYNAMICS OF CONTROL AND RESISTANCE: MICRO-LEVEL THEORISING OF PROFESSIONAL RESISTANCE UNDER NEW PUBLIC MANAGEMENT

Samuel Tengey Ph.D

Abstract

How public sectors are managed globally has, over the past three decades, undergone substantial changes, influenced enormously by a perspective now known as new public management (NPM). Core to NPM is the belief that effective private style management answers to the public sector inefficiency challenge. Available research suggests that within the NPM model, managerialism, which subsumes professional autonomy in managerial objectives, tends to generate frictions between professional values and managerial objectives. This friction intensifies particularly in contexts where public service delivery is outsourced to private organisations, where cost containment is a crucial success factor. This paper reports on an investigation into issues arising between professionals and managers, pursuing service quality assurance and cost efficiency respectively, in two health institutions in Ghana where certain functions were outsourced.

*One key issue of professionals' concern is increased managerial control of their work, which they argue has led to substantial truncation of their professional autonomy. Professionals maintain this reduced autonomy does not guarantee the public the quality of service it deserves. Drawing on control and resistance literatures, this paper conceptualises strategies professionals employed in responding to these issues, exploring the implications of their chosen strategies. The findings reveal professionals display substantial unconventionality in their response, employing principally non-confrontational, non-violent, and non-deviant resistance strategies akin to **work to rule**-a famous unionised resistance strategy. They sought resistance through the meticulous compliance with, not violation of the rules.*

Introduction

This paper reports on the outcome of a study of alternative forms of resistance by profes-

sionals to managerial control in two corporatized health institutions in Ghana and draws the implications for management practice. Traditional analyses of control tend

to overstate the captivating and over-totalising effect of control resources on the subjects of control. Within the workplace, the subject of managerial control of workers, and the response from the latter group through their projection of self in such light as 'haggard, docile, and weak category (Thomas and David, 2005) has been a dominant perspective in the industrial sociology and management literatures. This conceptualisation of the controlled group as weak, and management as the more powerful class has partially underpinned the labour process debate, which resonated principally with Braverman's (1974) *Labour and Monopoly Capital*. In these accounts, management and employees are conceptualised and treated as separate groups: one controlling, the other resisting.

Against that backdrop, earlier analyses of management and employee relations have remained largely Marxists in approach—a framework that adopts this over-totalising viewpoint on control. From recent analysis of control, however, there is now a burgeoning literature (for instance, Collins and Green, 1999; Thomas and David, 2005; Rosenthal, 2004) pointing out alternative conceptualisations of control, clearly distinct from the Marxist framework. Such alternative conceptualisations are derived principally from the study of non-professional groups. Of course, professionals and how they tend to respond to control resources have received some critical analysis with respect to these forms of control conceptualisation (Exworthy and Halford, 1999). However, compared to manual, other skilled and service workers, analysis of professionals' form of resistance has been admittedly minimal.

Recent developments in the public sector bordering on new ways of conducting the public business, which have been referred to as NPM provide the entry point of professionals into this present analysis. Such developments continue to have significant ramifications for how professionals perform their jobs, and the conditions under which they do so. In the context of these developments, much remains to be understood about how professionals respond to managerial control mechanisms. Do they willingly comply? Do they attempt to attain resistance through compliance, cooperation, or compromise? How do they manage these? Addressing these and other related questions constitute the subject matter of this paper.

Placed against that backdrop, this article is to build on the literature on these alternative conceptualisations of control and resistance, and to bring to the fore the subtle forms of resistance strategies that professionals employ in response to managerial control. First, however, a brief review of traditional Marxist conceptualisation of control sets the tone, followed by a review of literature on new forms of control, which do not necessarily employ confrontational forms of resistance. An examination and theorising of how subjects of control employ control resources to their own advantage follows. Next, a brief examination of the literature on NPM: its ethos, value system, and philosophies and approaches to public management are discussed to provide the context within which the work of professionals is examined, and for this study.

Control and resistance from Marxist perspective

Karl Marx (1867, 1874) is credited with Marxism, a theory that addresses the unfairness and imbalance of workplace power

between the owners of productive resources (capital) and the sellers of labour power (labour). In Marxism, a clear distinction is drawn between owners of capital (the bourgeoisies) and those who sell their labour in return for wages (proletariats). Moreover, the management group, representing the bourgeoisies is clearly distinct from the workers' or employees' (the proletariat group). Traditional Marxism argues that with the asymmetrical distribution of power between owners of capital and the sellers of labour power in favour of the former, capital has the power to and tends to control labour who tries to resist. By extension, management is viewed as the all-powerful controlling group while labour stands as the docile, haggard, controlled group (Braverman, 1974; Wilmot, 1997; Ezzamel, Worthington and Wilmot, 2001; Thomas and David, 2005). As a solution to this unfair inequality, Marx (1874) envisioned a utopian society of economically equals, in fact of more powerful labour compared to capital, when labour would have overthrown capital.

However, with the propounding of Frederick W Taylor's influential scientific management theory, which gave further impetus to capital, reinforcing its capacity to control labour, it is little likely such utopianism as envisioned by Marx would ever materialise. It is the ramifications of scientific management theory for employees that Braverman's (1974) work, criticising modern technology for deskilling employees' creative skills, fundamentally addresses. In Braverman, as in Marxism, workers are viewed as less powerful, responding to forms of control in confrontational or frictional fashion. In that sense, control or domination has for long been understood as achievable through consent, suggesting that whenever people give their consent they are

necessarily submitting themselves to be controlled and dominated (Carlone and Larson, 2006). In effect, consent has, until recently, been little thought of as a means of seeking control. The next section discusses non-Marxist conceptualisation of control.

Control and resistance from non-Marxists perspective

In spite of the enduring influence that Marxist analysis of control and resistance has received, recent analyses (see for instance Collinson, 1994, 2003; Rosenthal, 2004) have suggested that consent could and has been employed as a powerful and effective tool in resisting managerial control. This suggests that to maintain that when people give their consent they are necessarily subordinating themselves to be controlled could be viewed as simplistic, failing to take account of the complexities in control/resistance analysis. In this respect, 'the widely accepted conception of hegemony as ideological domination achieved through consent, as Mumby (2000) had earlier on argued, should rather be understood, as suggested by Collinson (2003), as 'a dialectic between control and resistance'. Admittedly, control mechanisms deployed by management were found to be harnessed by employees to their own advantage in separate accounts in call centres (Rosenthal, 2004; Lankshear, 2001). This argument is further supported by Mumby (2000) and Carlone and Larson (2006) who argued that attempts to control may simultaneously represent opportunities for resistance. I use separate concepts to illustrate this conceptualisation of resistance to provide alternative interpretations of situation of apparent compliance by a seemingly less powerful group. These, which I now discuss in turn, are 'work to rule' and 'the weapon of the weak'.

Work to rule

'Work to rule' is a strategic practice whereby employee groups engage in industrial action without losing pay, by following the rules and regulations of their work so strictly to the letter that either nothing gets done at all or only little gets done. It is a disguised form of industrial action in which employees work strictly according to the terms of their contract of employment. This requires working to the rules of the jobs without cutting corners or taking short cuts with the view to slowing down production or the work process without engaging in any illegal or recalcitrant behaviour that might warrant a disciplinary action.

Doran (2007) calls this *responsible rebellion*, typified by Irish nurses' industrial action which they embarked upon without losing public support and their wages. In a modern workplace almost every job is governed by a battery of rules, regulations, standing orders and procedures, many of them practically unworkable, which are often ignored and violated to facilitate the work process. By 'working to rule', disgruntled employees pay attention to each of these unworkable regulations that eventually result in confusion and unnecessary delays.

The weapons of the weak (WOTW)

The WOTW theory was propounded by Scott (1985) whose study focuses on the polemics of peasant resistance. Drawing the distinctions and relationships between 'public action' and 'cognitive objective' of a seemingly marginalised, oppressed, class, Scott showed how apparently suppressed, marginalised groups respond to attempts at controlling them. He examined, from a micro-perspective, the symptoms of the gestation of peasant resistance, and by his thesis, attempted to fill the gap left by macro approaches of Marxist analysts. Unlike

Marxists, Scott does not consider revolution, which results in the overthrow of the dominant class, to be inevitable (Nagata, 1987). Scott illustrates how, conscious of their predicament, the dispossessed and marginalised group manage their behaviour and discourse to their own advantage, without engaging in full-blown recalcitrance. Nagata (1987: 1243) vividly articulates the processes and strategies involved in the weapons of the weak, which he argued are both entirely rational and consistent with the context:

...the discontent of the dispossessed is displayed in a pattern of a simmering resistance, of low-key recalcitrance, chicanery, petty pilferage, foot dragging, dissimulation and minor sabotage, all expressed verbally in metaphors quite appropriate to the local social scene; hence in that context, rational.

The central argument of Scott's thesis is that, aware of their condition, suppressed, apparently voiceless people evolve their own [sophisticated] strategies for displaying resistance. Moreover, while they take precautions to hide their intentions from the public, argues Scott, they do expect the effects of their resistance to be felt. Whereas such a class may publicly comply with a regime, their cognitive objectives might stand in stark opposition to their public behaviour.

In summary, Scott accepts the crucial role of the human agency-the tendency of people to shift between various selves-in their resistance to control attempts. In managing attempts by the more powerful to control them, marginalised groups are able to shift between the private self that resists, and the public self that complies to forms of control, real, or imagined. TWOW thesis thus suggests that there are other forms of resistance, which combine apparent consent with non-confrontational

resistance. Professionals' resistance, which this paper attempts to theorise falls within this latter categorisation, and occurred in the context of NPM under which their professional discretion and autonomy has become truncated. I now turn to a brief discussion of NPM.

New Public Management (NPM)

In this section, I provide the basic tenets of the wider context-new public management (NPM)-in which this study was conducted. I begin with a summary of NPM based on Hood's (1991), and later draw its ramifications for professionals' work. According to Aucoin (1990) and Hood (1991), the NPM model is based on seven distinct doctrinal areas, as follows:

Hands on professional management

Under-girded by the catchphrase 'let managers manage', this element recognises the need for management at the very top of the organisation, endowed with full substantive responsibility for management-working towards the achievement of clearly specified goals. This is preferred to administrators merely administering rules, and working towards exogenously determined ends (Oluwu, 2002). As a control on their authority, contractual agreements are employed to make managers more accountable to politicians for specified results. The management role here is pre-eminent over the specialised nature of the department and ministry (Oluwu, 2002).

Explicit standards and measure of performance

Central to this element is a clear statement of objectives, goals and performance standards and criteria. From these the allocation of resources for which managers are accountable derives its legitimacy and justification. This focus on results (accountability for outputs) is

a clear departure from the focus on inputs (accountability for inputs) inherent in the hitherto traditional public administration. Once given the resources, managers have a great deal of discretion in allocating them, mindful of their accountability for their decisions and the implications of such decisions for whole units, departments and ministries (Hood, 1991; Oluwu, 2002).

Emphasis on output controls and entrepreneurial management

There is great orientation towards such control mechanisms as performance and programme budgeting in contrast to line item budgeting. While strategic management is still pursued, the focus is more on objectives that must be achieved in the shortest possible time in a rapidly changing environment, hence the increase in the application of SWOT analysis (Oluwu, 2002). Here, the emphasis on results means that top management's focus is on meeting, preferably exceeding targets.

Disaggregation of units

Otherwise known as corporatisation, this involves the breaking up of previously large monolithic public organisations into small units designed, built around single products, with separate cost centres. This process both necessitates and facilitates the use of decentralised budgets, and allows personnel processes to be decentralised, making hiring and firing at the local level not only possible but much less cumbersome. In essence, corporatisation attempts to address the agency problem, by giving stake to individuals, groups and communities in the public organisation.

Competition in public service delivery

There is increased belief in market-like competition as a means of ensuring efficiency in the delivery of public services. Such competition includes privatisation, commercialisation and

marketisation (Oluwu, 2002), made possible by the separation of provision (legal authority) from production (the technical transformation of inputs into outputs). This separation means that a public organisation with provision right can delegate (contract out) the production of that service to another organisation in either the public or private sector. The manifestations of this separation include public-private partnerships (PPPs); private finance initiatives (PFIs); franchising; and outsourcing in its various ramifications.

Emphasis on private sector styles of management

There is a conceptual shift away from what Oluwu (2002) referred to as military-style public service ethics towards flexibility with respect to hiring, managing and compensating personnel. For instance, top positions in the public sector are no longer the preserve of longest serving public servants; the appointment process is subject to the rigour of open competition between internal and external applicants from both the public and private sectors. Performance as against long service and seniority becomes central to promotion.

Greater stress on discipline and parsimony in resource use

Oluwu (2002) summarised this as: 'raising labour discipline, resisting union demands, limiting compliance costs to businesses, and application of information and communication technology (ICT). The use of ICT, underpinned by accounting logic (Aucoin, 1990), ensures the making of more informed decisions to avoid waste (Hood, 1995). All this, it is believed would result in achieving more with less.

In effect, the need to minimise cost and to do maximise output is the central consideration of NPM to which all considerations are

subordinated (Christensen and Laegreid, 1999). All other values and considerations, including professional discretion and service quality come to be subordinated to cost consideration, a subject, which has become a source of much tension between professionals and managers under NPM. The foregoing thus provides the backdrop against which the work of professionals under managers would be examined. In the following section, I discuss the essential features of professionals and professionalism.

Professionalism and Professionals under NPM

The concept of professionalism has been shaped significantly under NPM. The work of professionals has been understood to require discretion over a range of issues that fall under their domain of authority. Professionals are believed to privilege public interest over personal interest; while a professional is not required to ignore material considerations, they are expected to subordinate financial gain to higher values of responsibility to clients and the public (Sullivan, 2000). Therefore the belief that the professions will place societal welfare above that of the profession and its members had formed the basis of the society's contract with professions (Cruess et al, 2000). On the basis of their access to privileged knowledge [expert power-Crozier, 1964], professionals tend to demand autonomy over the practice of their profession. But over the years there have been instances that suggested public interest is subordinated to personal gains.

In light of that, there has, in recent times, been an increase in the need for a greater insight from the public into what professionals do in order to forestall likely rent-seeking professional behaviours. This has led to substantial truncation of professionals' autonomy, which

constitutes a serious source of challenge to the professionals and a dilemma to the public for two apparent reasons. One, it protects and guards the public against selfish professionals desiring to profiteer at the expense of the public; two, those professionals with genuine commitment to protecting the public interest may lose their autonomy, which may be detrimental to the public interest.

Under NPM, the juxtaposition of the ideals of managerialism on professionals and the values the latter espouse, and the range of associated issues, which I have discussed in detail elsewhere (Tengey, 2008), is leading to near jettisoning of professional values. This has produced a heightened degree of managerial-professional conflicts. From critical literature, issues emerging as commonplace in managerial-professional conflicts include:

- (i) Senior managers' quest to manage with free hands has resulted in increased control of and substantial restriction on the autonomy and discretion of professionals (Emery and Giaouque, 2003; Noordhoek and Saner, 2004);
- (ii) Breakdown in public service values (Christensen and Laegreid, 1999) due to excessive application of market principles and economic considerations;
- (iii) Conflicts over professional values and managerial objectives (Sehested, 2002; Cheung, 2002).

The Research

Placed against that backdrop, this research investigates the issues professionals do encounter while working under senior managers, whose fundamental concern is to achieve cost-efficiency. The research is also intended to identify and conceptualise the coping devices or the resistance strategies professionals employ in responding to the issues they encounter.

Design and Methodology

The research was conducted on two corporatized health institutions in Ghana. These institutions were left with enormous deficits in technical staffs after a recent public sector employee rationalisation programme had cut off a substantial number of their technical staffs, placing embargo on the recruitment of new staff. Along with this skills shortage was a large number of unproductive unskilled support staff providing ancillary services of various kinds. In response to the deepening skills deficit, the hospitals decided to outsource some functions previously managed by technical staff, including some health professionals such as biomedical engineers, along with a large number of unqualified/unskilled staff. Either way cost consideration was to some degree core to the decision to outsource. The investigation focused on professional middle managers working under performance-based contract senior managers. Two research sites (hereafter referred to as AK and BK) were selected. Both institutions have similar departments offering similar services, and enjoyed a relatively higher degree of autonomy, compared to other public health institutions across the country.

The selected cases reflect fundamental differences in skills levels in the functional areas outsourced. The first case [Installation/Maintenance] involves departments performing tasks requiring sophisticated technical skills such as magnetic resonance imagery (MRI), biomedical engineering and the installation of sophisticated medical equipment and machinery. The second case [Cleaning] requires mainly low-value skills and included the Environmental Sanitation and Cleaning departments. Thus variations in skills level constitute the only comparative element that provides the basis for comparative analysis in this research.

Research Questions

Two main research questions were posed to the professionals:

1. What were the major issues professionals working under contract managers encounter?
2. What strategies are used in responding to these issues?

Semi-structured interviews, administered to some 12 senior managers and 28 professionals were used to obtain qualitative data, with interviews taking place during normal office hours, and respondents allowed time off to participate. Interviews time averaged 45-60 and 50-65 minutes for senior managers and professionals respectively. Attempts to access background information such as minutes of meetings, and documents reviewing the outcomes of outsourced projects failed, making the research rely heavily on interview data. That notwithstanding, there was opportunity for some form of observation, which helped make greater sense of the rather very complex issues encountered.

Interview data were digitally-recorded and stored, along with written fieldwork summaries, all meant to ensure every important detail was captured. Interview transcripts were organized into display matrices, taking several forms but based principally on themes emerging from transcripts rather than exogenously imposed. Matrices were developed around research questions with the vertical axis recording detailed research questions and the horizontal axis, responses to the questions, thus mapping research question to respondent.

Findings: issues and challenges encountered by professional managers

Challenges faced by professional managers border on control from senior management;

uncritical obsession (by senior managers) with cost-considerations, leading to the marginalisation and jettisoning of public service quality considerations, and little adherence to professional standards; little opportunity for the exercise of professional autonomy, and the by-passing of professionals even in issues in which they have both the expertise and experience.

First, professionals bemoaned the several senior management attempts to exercise control over what they (professionals) do. In any case, both the severity and frequency of such control attempts were seen as varying substantially with the level of skills required in performing a particular function. Admittedly, high skills functional areas tend to be associated with frequent instances of senior management control over what professionals do, while low skills areas attracted the least evidence of senior management control attempts. As one middle manager in Biomedical Engineering department at BK pointed out about senior managers:

They don't listen; when you listen you act. They ask you to present your opinion; you write a beautiful report; they file it and you don't hear anything again. So you sit down and watch them perform... We belong to the same professional associations as some of the consultants they contract to tell them what we have always told them (Estate Manager, BK).

Due to the complexity and sophistication of skills required in the high skills areas in which senior managers are relatively uninformed compared to the professionals, they (senior managers) tend to rely heavily on external consultants, who assist, as it were to 'decode' professionals' technical language. Although most senior managers are health professionals, their disconnection from continuous daily practice, as they spend more time on manage-

rial issues, makes them lag somehow behind in practical issues relating to practice. This means professionals may be more powerful by reason of their access to some form of esoteric knowledge which is practice-based, otherwise known as expert power according to Crozier (1964). However, one source of professionals' frustration is the constraints they felt on their power. A professional manager had this to say:

Often the main source of conflicts is the difference in knowledge between service managers (managers) and service providers (professionals). Institutional practice is technology; those who do not practice at this level lack that technology, yet they wish to dictate what should be done at the hospitals at any given time. How can you effectively manage something you have been out of touch with for a long time? When it happens that way, they tend to engage a number of consultants to help them make sense of it... (Maintenance Engineer, BK).

This senior management approach, professionals argue, leaves them (professionals) with little opportunity to exercise their professional autonomy. Professionals argued that senior managers are always trying to be personally involved in areas clearly understood as professionals' domain of responsibility, as if senior managers felt some information might be kept from them:

They (senior managers) always want to identify themselves with whatever is going on but they don't need to; we'll give them a report eventually. So the professional element (failing to leave the professionals with little interference) has always been the central issue (Biomedical Engineer, BK).

One other thing professionals resent is senior managers' one-dimension emphasis on cost, often achieved at the sacrifice of quality and professional standards. A professional vividly summarises some of the major issues they face in relating to and working with senior managers:

They're (senior managers) only concerned with cutting costs, and have forgotten our basic objective is to provide a system of quality health service that the public can trust. There's also 'confusion over results and procedures'. When they introduced the changes, we were told to focus on set targets. But ... management decided to intensify regulatory procedures. Now, there are too many procedures that lead to delays,...controls everywhere...you're treated like a shop-floor worker...somebody decides what you should do and specify how you should do it...but we're believed to be professionals! (Biomedical Engineer, BK).

Additionally, professionals were concerned that decisions relating outsourcing of functions under their department were made almost exclusively by senior management without reference to their professional advice. Professionals insist that they are the best placed to advise senior management on areas to outsource, as well as on outsourcing service providing firms to contract. They argued that several outsourcing projects failed because outsourcing decisions were made without any reference to them. They are concerned that resources are being wasted in that outsourcing providers are brought in to perform duties they (professionals) have capacity to perform even more efficiently. Their concern is that they are never offered the opportunity to prove their skills before external service providers are brought in:

There's a limit to my authority over what I'm supposed to be doing. That's for somebody else to be brought in, without it being discussed with you, and you haven't been able to assess what you can or can't do. I have not been given the chance to determine my limits because there is some of the equipment I'm not permitted to touch. These relate to issues of autonomy. Until my limit is attained you can't make a decision to bring in someone to help. We're required to give out our best, so you must have the space to work yourself to your limit, then you can look outside. They place impediments in your way to make the work difficult. This puts us off gear. There are a lot of things going wrong. Even if we're over-employing people, nobody knows (Biomedic Engineering Manager, AK).

In effect then, control from senior management; one-dimension emphasis on cost-considerations, leading to the marginalisation and jettisoning of public service quality considerations; little opportunity for the exercise of professional autonomy and discretion, and managers by-passing professionals in issues pertaining to professionals' expertise and experience constitute the main issues that professionals in this study encounter. In the section following, I examine the coping devices and resistance strategies professionals employed in responding to the issues they encountered.

Professionals' coping devices and resistance strategies

For the professionals studied for this project, direct engagement is a less preferred strategy; indirect and less straightforward strategies seemed to have found greater acceptance for a number of reasons. Fig 1 below presents a summary of professionals' coping devices employed in responding to [resisting] managers' control attempts. At first glance, there is

little in these strategies, which suggests attempts to resist control; they look like strategies associated with the weak and the haggard workers (Thomas and David's, 2001). However, upon further scrutiny these can be seen as tools by which the professionals sought to reassert their power. They almost all employ methods other than direct confrontation in registering their disapproval of new managerial governance arrangements, with each employing at least one form of strategy or another that can be described as withdrawal.

Fig 1 Professionals' Resistance Strategies

1. Withdrawal and disengagement
2. Avoiding to talk or being verbally engaged;
3. Insisting the right thing be done;
4. Pointing out system shortfalls or weaknesses,
5. Doing exactly as told and not bending rules;
6. Withholding professional expertise

(Derived with slight modification from Tengey, 2008)

Thus by a means akin to 'compliance', professionals sought to display their power and reconstruct their identity. In several other quotes to follow, professionals employed compliance as a means of creating a space for themselves within which to renegotiate, reconstruct and reposition themselves in the organization:

We're on the ground; we know departments where staff doesn't work well. So when you're told at CMB meeting 'we've decided to outsource the cleaning of 'Physio' or say 'OPD', and have decided that Bontu Company should take over; clearly they are not asking for your opinion but are waiting to hear what you'd say, and *everybody would be careful*. So often we say 'ok!' Then along the way, maybe something goes wrong and then they inform

you and you say you can't help. Then they know something has not gone well (Estate Manager, AK).

Professionals also employed strategies such as 'doing as told, not bending rules, avoiding talking, and reasserting their worth through a number of fine-grained negotiations such as pointing out weaknesses in projects after project failure to respond to or cope with issues they encounter. Some quotes would serve a good illustration:

What I've personally done is do my jobs as spelt out; nothing outside that. When things don't go well it's then that they know they need you. So I don't need to be involved in an argument to prove....I just need to concentrate on my work and do it well; I shouldn't allow anybody to come and ask me why haven't you done this or that? I know my job (Nurses' Manager, AK).

I insist the right thing is done. By insisting that goods purchased because they are cheap (against my advice) are not used! It's good to insist because there's a legal backing for you and I can't be sacked because I refuse to do what is ethically or medically unacceptable. You don't need to engage in argument: simply insist on your rights, period (Estate Manager, BK)!

Another subtle strategy employed by the professionals is holding back their expertise in situations when this is most required. They do this in such a clever fashion that they end up going by, rather than, breaking the rules governing their work. They take advantage of weaknesses and lapses in the system, and harness these to their advantage in an intelligent, non-deviant fashion, and by this, succeeded in avoiding any form of recalci-

trance. A professional manager's response to interviews clearly illustrates this:

.....At a time, there was work going on at the theatre at a weekend; we ran out of oxygen; you called the private man (outsourcing contractor), he wasn't there...and what I'm not supposed to touch, I wouldn't touch, and whoever was supposed to touch wasn't around, so the work wasn't done.. (Biomedical Engineering Manager, AK).

Regarding this type of resistance, Hanchard (2004) observes: it is so intelligently executed that it provides little occasion for others to suspect any intention to resist. Moreover, even if the effect of their resistance is not publicly felt, an intrinsic satisfaction does ensue from the realisation of their accomplishment arising from resisting a clearly greater authority.

Discussions: relevance of the study

1. The study has demonstrated that power and its use is not an exclusive preserve of those in possession of positional power in an organisation, thus showing clearly how power can be cast in weakness, and how recalcitrance can be sought [by a seemingly suppressed group] through obedience, compliance and going by the rules rather than flouting them.
2. The study has additionally unearthed a number of areas over which managers and professionals practicing in the same profession can clash, which can potentially hamper their effective cooperation towards meeting organisational objectives. In responding to the encountered issues professionals studied in this project employ various

techniques that can be conceptualised as a form of 'work to rule' strategy. Work to rule is a strategy by which disgruntled employees sabotage the system of work through undue delays by insisting due procedures are followed to the letter, rather than flouted or discarded. Unlike 'work to rule', which occurs collectively as organised, unionised activity, however, professionals' resistance here occurred at the micro level, and so are better conceptualised as 'individualised version of work to rule'. This suggests the intelligence of seemingly marginalised groups to harness to their own advantage, resources employed to control them. It suggests that control does not necessarily occur in a top-down fashion, but that it is well diffused in the organisation.

3. Management control strategies have been said to have intensified in recent times, becoming even more complex with heightened level of sophistication, reinforced by developments in ICT. In the public sector, the increased expectation on managers to perform has meant that professionals working under managers have got to be managed in ways that truncate their professional autonomy and discretion. As the sophistication of control resources intensified, so too have resistance strategies, moving gradually away from open confrontations, attained in unionised work environments (with the marginalisation of unions), towards less deviant strategies attained through obedience and compliance

rather than any form of full-blown recalcitrance. The use of such sophisticated resistance strategies provides greater insight into the complexity of human agency in harnessing situations, including even those that work in their disfavour to their own advantage. Taking cues from Scott's work on the weapons of the weak, our understanding of the capacity of a seemingly powerless group to exert power on a more powerful group can be greatly enhanced.

4. Moreover, and finally, the fact that people seek control and recalcitrance through false compliance, and feigned obedience is an insight worth the notice of those in control in organisations, and in any other capacity, to take pains to engage all relevant stakeholders in decision-making, no matter how perfect they might think their decisions are. These findings suggest that such things as false compliance and feigned obedience are forces at work in superior-subordinate relationships of which superiors need to be constantly wary.

Conclusion

Most governments and public sector organisations have found the prescriptions of NPM useful as panacea for addressing several of the public sector inefficiency challenges. Here, in the era of managerialism, public sector managers' role in addressing these issues cannot be overemphasised. There is almost an explicit assumption that once component managers, able to use NPM prescriptions meticulously are hired and motivated, they can turn public organisations round for the better.

While indeed some public managers have undoubtedly made significant gains in this respect, much of such gain is eroded by the negative impact managers' chosen mode of managing continues to have on professionals, professionalism, and public service quality. By and large, economic efficiency has remained the major concern of managers, and determines their management style. Sadly, as suggested by this paper, most managers have actually eluded cost efficiency due partly to professional resistance arising from the break in their professional autonomy. This suggests that professionals occupy a crucial position in any public sector reform agenda, and should be allowed to contribute to the design, development and delivery of the reform programme. Anything failing of this stands a great risk of apathy and resistance from professionals, who are sophisticated in exercising control and resistance.

Moreover, the study highlights the very fluid nature of resistance-its complicated dimension in general, and the sophisticated nature of professional resistance, which they have sought to attain through obedience and

compliance, not open recalcitrance. While they have intension to resist managerial control, professionals' public compliance compensates for any intended resistance, giving them full security. However, underneath their public compliance lurks their unvoiced message to manager: 'you would do yourself a lot of good by listening to and considering our viewpoint'. This non-deviant resistance strategy highlights the very diffused, non-linear, multi-dimensional and multi-directional nature of organisational power, suggesting that current workplace resistance may take on several, non-deviant, non-threatening, forms. Thus besides their technical and managerial functional knowledge, managers need to understand and be guided by these forms of complexity and sophistication in professional resistance in order to contain and manage professionals in the most effective way that intelligibly combines the often conflicting objectives of economic efficiency and professional service quality without sacrificing one for the other.

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THE IMPACT OF INFORMATION SECURITY BREACHES ON BANKING INFORMATION SYSTEMS FROM THE YEAR 2000 TO 2009

Peter Tobbin & Paul Danquah

Abstract

This research seeks to analyze the impact of Information Security breaches prone to selected Ghanaian banking institutions from the year 2000 to 2009. The results of this work were obtained through the review of related literature, questionnaires and observation. The results obtained are analyzed using the evaluative reporting of the data, supported by tables and charts where applicable. Recommendations are subsequently made to address the security breaches identified. The outcome of the research tends to place the findings in context by elaborating on how the research findings and results contribute to the field of Information Security in general and what sort of broader implications these may have. This will allow for greater understanding of Information Security issues within the banking sector and hopefully prompt for further in-depth research into its impact on the institutions and customers as a whole. A recommendation is made to banks to define the Information Security policy and effectively implement the policies by educating all staff on acceptable and best practices.

Introduction

An information system is interrelated components working together to collect, process, store and distribute information to support decision making, coordination, control, analysis and visualization in an organization (Laudon and Laudon 2006). The last five years have seen a significant rise in the number

of banks and other financial institutions (notably, savings and loan companies, insurance) in Ghana. This has led to an increase in the number of personal account holders in the country.

Parallel to this growth is the use of electronic payment systems and debit and credit cards for transactions. Also, the traditional banks in

Ghana have mostly migrated from the use of manual systems to electronic business transactions. At the heart of all these is the collection, storage and transmission of sensitive data by the banks. This research therefore seeks to assess the level of protection and preparedness that the banks have implemented to avert any possible information security breaches.

Information security is the confidentiality, integrity and availability of information assets (NIST handbook 1995). Confidentiality is the preservation of authorized restrictions on information access and disclosure, including means for protecting personal privacy and proprietary information. The assigned level of confidentiality is used in determining the types of security measures required for its protection from unauthorized access or disclosure. Integrity is guarding against improper information modification or destruction, including ensuring information non-repudiation and authenticity. The level of impact of unauthorized modification or destruction of information resources determines the importance of maintaining the integrity of a resource. Availability is ensuring information is always accessible by authorized users with no or very limited outages.

Security breach is when confidential and restricted information of an individual is reasonably believed to have been acquired by an unauthorized person.

(Chapel and Stewart,2004). For example, acquisition of personal information by a staff/employee of an organization or agent for bona fide business purposes does not constitute a security breach, provided that the personal information is not used or subject to

further unauthorized disclosure. Also, it can be described as any steps taken by an individual or group of persons to circumvent existing controls established to provide confidentiality, integrity and availability of an information system. This should include physical controls.

Over the last two decades companies have experienced a number of security breaches of significant impact. The 2002 Computer Crime and Security Survey, conducted by the Computer Security Institute (CSI) and Federal Bureau of Investigation (FBI) of the United States of America, reports that 90% of respondents detected computer security breaches within the past year (R. Power, 2002). A survey by Forrester indicated that, out of 410 Information Technology (IT) decision makers, about 75 percent reported that Information Technology (IT) security has become critical to their business planning and over 80 percent reported that they are concerned about financial losses from it (Muncaster 2006).

In another survey taken from risk managers of the U.S and European companies, computer risk was ranked as the top concern among European companies and the number two concern among U.S. companies (Hovav, A. and D'Arcy, J 2006).

All the banking institutions have information assets essential to their survival. Arguably, information in its various forms is one of the most important assets to most banks, be it printed, stored electronically, posted or e-mailed, shown on film or spoken. For most of these organizations, information security may be essential to maintain competitive edge, cash flow, profitability, legal compliance and commercial image. An absence of information security in banking and financial organizations may threaten their integrity and, therefore, very existence. The economic implications of

corporate information security breaches remain an empirical issue.

This research seeks to analyze the impact of information security breaches on the Ghanaian banking organizations.

The research approach involves the review of related literature, censoring for related information via questionnaires and observation. The results obtained were analyzed using the evaluative reporting of the data, supported by tables, figures, and charts where applicable. The research is then summarized with recommendations.

Caveat on Results and Analysis

1. Most banks were quite reluctant to provide information regarding their experienced security breaches.
2. Banks were also unwilling to reveal security information regarding vulnerabilities on their networks and systems.
3. Some respondents within the same bank provided varying and contradictory information in their response to questions asked.
4. Most of the respondents indicated they were uncomfortable bringing their security issues to public knowledge especially information related to financial implications.
5. Some banks specifically indicated they considered the information required as confidential hence their inability to disclose.

OBJECTIVES OF STUDY

The specific objectives for carrying out this research are:

1. To identify the types of information security breaches experienced by the banking sector.

2. To assess the financial implications of the information security breaches on the banking sector
3. To determine the impact of information security breaches on the service level of banks

LITERATURE REVIEW

Evolution of Information Security Breaches

Even though it is possible to date the evolution of Information Security Breaches to the history of man, it is fair to limit it to the revolution of Information Technology and the Internet. In the past, information security breaches were mainly in the form of physical break-ins, unauthorized entries into critical infrastructure locations such as vaults in banks and disgruntled employees stealing information for competitors. These have historically been viewed as traditional property crimes where trespass, theft, and vandalism were the motives. The modern trend of using computer networks to remotely monitor and control unmanned facilities has also increased the possibility that these crimes could be used to conceal less discernible crimes. For example, the physical breach of a vault in a bank to steal money could be viewed as a simple case of burglary. In modern days however, such an event could just as easily be a distraction to draw the bank's attention and investigation away from the real motive.

The real motive in this context could be to gain access to the systems and devices within the facility (bank) in order to either launch an immediate electronic or cyber attack. It is also possible to introduce hardware or malicious software into the bank's network, thereby establishing an electronic or cyber foothold for future attacks or stealing sensitive information (Chapel, Stewart et al. 2004).

Forms of Information Security Breaches

Information security breaches can be categorized into several groupings: internal and external; structured and unstructured; technical and non-technical. Activities by employees of an organization, either intentional or unintentional can lead to an information security breach. For example, employees of a bank may steal the credit card information of customers and sell to cyber criminals. On the other hand, certain lack of appropriate employee training on the use of a system may cause an unintentional security breach.

Structured security breach is where organized steps of attack are applied in causing the security breach. An example of a structured security breach is applied in hacking, phishing or identity theft. Unstructured security breach is where certain activities especially on the Internet lead to a security breach in an organization's infrastructure.

Usually the perpetrators are not even aware of the full (financial, legal, social, economic etc) impact of their actions.

Objectives of Information Security Breaches

According to Mohay (2003), there are as many reasons for performing information security breaches as there are network security attacks, but, there are a number of common themes, in no particular order.

1. **Industrial Espionage** – Companies may hire a cracker or hacker to try discovering competitors' secrets. This is usually the case when a company has fallen behind in the research and development sector.
2. **Vandalism** – This is typically a case of intent to destroy or sabotage where

perpetrators do not reap any commercial benefits. There may be consequences for the perpetrator yet they seem to derive fulfillment from inconveniencing a lot of people.

3. **Accidents or Curiosity** – It is quite common to perform a network security attack completely by accident. It usually occurs when perpetrators are unaware of the Trojan on their system or they activate a malicious attachment received via email.
4. **Peer Recognition** – This scenario is most prominent in environments where hackers belong to a recognized community. Hackers operate with the mentality that the more difficult a system is to crack the better and the more systems successfully hacked the more popular one becomes within the community.
5. **Money** - Financial institutions make considerable efforts to reduce their risk from network security attacks, and with good reason. If a perpetrator can crack a bank they stand to make a ton of money. Hackers who are therefore selective about what they crack stand a good chance to reap financial benefits.
6. **Imperva (2004)** explains that other notable objectives are terrorism, political and religiously motivated hacking. Studies provide insights into the economics of information security, but do not investigate the actual magnitude of losses associated with information security breaches. Empirical research that examines the economic aspect of corporate information security breaches is largely descriptive in nature, and has focused on the direct financial cost of information security breaches. This descriptive research is comprised largely of survey results com-

piled and analyzed by professional organizations.

However, Gordon and Loeb (2002) indicated that the quantity and quality of survey data on the impact of information security breaches is limited, since many banking and financial institutions are unwilling or unable to quantify their losses. According to Patterson and Smith (2005), the combination of survey results and popular press reports leaves little doubt that information security breaches are commonplace among banks. What is unclear, however, is the economic impact of these breaches on financial institutions.

Arguments regarding economic impact of security breaches on banks

Kedrosky's argument from the article "Hackers prey on our insecurities" advanced that the economic consequences of these breaches on banking and financial institutions are highly consequential. This argument is intuitively appealing, as there are a variety of potential costs associated with information security breaches. These potential costs include a dent in reputation and credibility to public, loss of revenue, potential legal liability and activities associated with detecting and correcting the breaches which invariably becomes expensive.

The February 10, 2000 issue of The Wall Street Journal reported that a denial of service attack against Yahoo!, "brought Yahoo!'s website to its knees, costing it an estimated \$500,000 in a scant three hours"; this suggests evidence that substantial economic costs are associated with information security breaches. As reported in CIO, The Yankee Group estimated the total losses related to the February 2000 denial of service attacks were \$ 1.2 billion.

An alternative argument according to Gordon

and Loeb (2002), however, suggests that the economic consequences of information security breaches are trivial over the long run. The intuition underlying this argument is that firms protect their most valuable information assets (e.g., secret formulas for key products, valuable customer data) at a higher level than their less valuable information. That is, since all information cannot be protected to the point where there is zero probability of a security breach, firms may allocate their security expenditures in a manner that minimizes the economic impact of security breaches. Accordingly, there is reason to believe that most information security breaches that actually occur may have a small (or insignificant) economic impact on the value of a firm.

Additional anecdotal evidence consistent with the insignificant economic impact argument includes consequences of a series of hacker attacks resulting in shutdowns at companies such as Yahoo! and Amazon.com in February 2000. On the day of the attack Yahoo! was shut down for almost 3 hours, and its Web traffic dropped 11% relative to the same day the week before the breach. However, by the next day, the number of unique visitors to the site returned back to normal, and up 9% from the same day of the prior week. The trends were similar for other companies hit by this denial of service attack.

The above statements are consistent with the argument that at least some varieties of information security breaches are viewed as a normal cost of business. For firms that are heavy users of information technologies, costs associated with the security breaches that occur may be similar to inventory shrinkage costs for a retailer.

Certainly, some efforts are taken to contain these types of costs, but by and large they are

viewed as a cost of doing business. The cost of eliminating these events/losses altogether may exceed the benefits. Data reported in the CSI/FBI 2002 "Computer Crime and Security Survey, Computer Security Issues and Trends" survey are consistent with this view. Thus, there is subjective and self-reported survey evidence consistent with each of two competing arguments regarding the economic impact of information security breaches.

A third argument made by T. Bridis in the article "E-Business: Microsoft takes steps to thwart hacker attacks". (The Wall Street Journal, January 29), says that information security breaches may have a net positive long-term economic impact on firms. This third argument is based on the premise that firms respond to breaches by making new investments in information security. Thus, an information security breach may signal imminent, and previously unanticipated, investments in information security. These investments might have long-term economic benefits that exceed the cost of the breach that spurred the investment. If this were true, the expected net economic consequences of both the breach itself and the anticipated future benefits of information security investments signaled by the breach would have to be considered.

The three main theories advanced in the above review points to the following:

1. Information security breaches have a highly significant negative economic impact on firms.
2. Most of these events have minimal economic consequences for firms.
3. Information security breaches may have a net positive long-term economic impact

on firms.

A critical review and analyses of the three arguments stated above by Kedrosky, Gordon and Loeb, and Bridis reveals that in order to investigate these competing arguments concerning the economic impact of information security breaches using a rigorous empirical analysis, one needs to identify both the premises and substance of the arguments.

Indeed, while all information security breaches are potentially costly, those that involve access to confidential firm and/or customer data may be the most costly. That is, customers, stockholders, and other stakeholders would likely be willing to accept some types of information security breaches (e.g., denial of service) as a routine risk and a normal cost of doing business.

METHODOLOGY

The approach to this research involves gathering information from completed questionnaires and interviews. This study is a cross-sectional study hence various segments of the banking sector are sampled and relationships among variables investigated by cross tabulation. Data is gathered from both primary and secondary sources.

Primary data consist of gathering information from respondents of some banks and companies via the use of questionnaires and interviews whereas the secondary source included books, articles, journals, publications, bulletins, the Internet and other related literature for the purpose of the study.

Fifty (50) questionnaires were served to ten (10) banking institutions in Ghana whereas five individuals were interviewed. This comprises an average of five (5) respondents each

from the Information Technology departments of each of the ten (10) banks.

Random Sampling was used in selecting banking institutions for the research work. Specifically, the banks selected were Agricultural Development Bank (ADB) GH, Standard Chartered Bank (SCB) Ghana, Zenith Bank Ghana Ltd, Sahel Sahara Bank (BSIC) Ghana Ltd, Barclays Bank, Union Rural Bank and Awutu Emasa Rural Bank Agencies consisting of Winneba, Kasoa, Gicel and Bereku.

The reason for using questionnaires was to assess how they perceive the impact or effects of information security breaches on their daily operations and what appropriate measures they have put in place to mitigate these security breaches as well as the risk assessment aspect of the security breaches. This method was validated via peer review with other research faculty. The design of the questionnaire was reviewed by two peers and was revised in the light of their feedback. A sample of the questionnaire is provided in the appendix section of this paper.

Analysis of data collected was done with Microsoft Excel 2007. The following techniques are used in the analysis; Quantitative data collected is analyzed using statistical tables and pie charts. All qualitative data is analyzed descriptively. Descriptive statistics are numbers that are used to summarize and describe data, descriptive statistics are just descriptive. They do not involve generalizing beyond the data at hand.

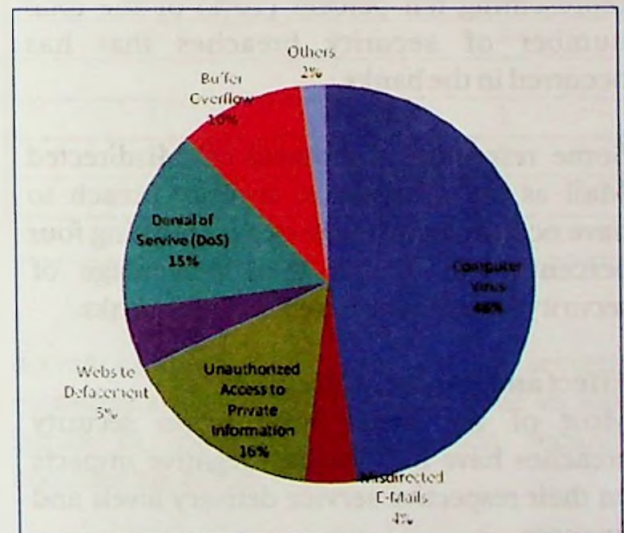
Caveat: Given a situation where respondents to the questionnaires provide varying or contradictory information from different sources within the same bank, an observational investigative approach is used to solicit

accurate information. If a further probe proves futile then an average where possible was struck to resolve the contradiction.

Assumptions: The respondents predominantly from the Information Technology (IT) department of the banking institutions are the most appropriate source of information for this research. This assumption was made because the IT departments tend to be directly involved in resolving the security breaches as compared to most other departments.

RESULTS AND DATA ANALYSIS

Security Breaches Experienced by Banks in Ghana from 2000 to 2009



Source: Field Study

Six main different kinds of information security breaches had occurred in their various banks before. These are computer virus, misdirected mails, unauthorized access to private information, website defacement and denial of service, buffer overflow. The seventh type which is depicted by others encompasses any other type not listed.

Out of these six main security breaches popular among them was computer virus, denial of service attacks and unauthorized access to private information. Computer virus attack represents forty eight percent (48%) of the total number of information security breaches which has occurred in these banks.

Denial of Service (DoS) attack accounts for fifteen percent (15%) of the total number of the information security breaches that have occurred in the banks while Unauthorized Access to Private Information is sixteen percent (16%).

Buffer Overflow indicated as an Information Security Breach occurred in some banks representing ten percent (10%) of the total number of security breaches that has occurred in the banks.

Some respondents reported of Misdirected Mail as an information security breach to have occurred in their bank representing four percent (4%) of the total percentage of security breaches reported in all the banks.

Effect and Impact of Breaches

Most of the banks information security breaches have had various negative impacts on their respective service delivery levels and finances.

Impact on Finances: Below are tables showing the financial impact of Information Security breaches on the surveyed financial institutions.

Table 1. Average Cost of Repairing Information Security Breaches Annually from 2000 to 2009

Range of Expense (Ghc)	Percentage (%)
0 - 1 000	70
1,001 - 5,000	13
10,001 - 20,000	0
20,001 - 50,000	17
Above 50,000	0
Total	100

Source: Field Work

Table 2. Financial Loss Via Information Security Breach from 2000 to 2009

Range of Loss GHc	Percentage (%)
0 - 1,000	70
1,001 - 5,000	0
5,001 - 10,000	0
10,001 - 20,000	13
20001 - 50,000	0
Above 50, 000	17
Total	100

Source: Field Study

Table 1 depicts the fact that 70% of banks spend less than GHc1000 to repair security breaches that occur on an average of annual basis whereas 13% of banks spend between GHc1001 and GHc5000 to repair. 17% of banks spend between GHc10,001 and GHc20,000.

Table 2 on the other hand depicts the fact that 70% of banks have lost less than GHc1000 via the experience of a security breach over the last decade whereas 13% of banks have lost between GHc10,001 and GHc20,000. 17% of banks have lost over GHc50,000.

Impact on Service Levels: Due to the varying technological setup of the banks and their respective methods of providing support, very different levels of service delivery seem to be experienced during security breaches.

Some of the banks have their IT service and support centralized whereas others have theirs decentralized. Typically banks with centralized IT service tend to have a different approach to resolving security breaches as compared to those with decentralized service and support.

All ten banks provided different average downtime duration experienced due to security breaches. The duration used to recover from a downtime from a security breach also varies for the banks respectively. The chart below attempts to average the man hours lost due to a compromise in security with respect to the various security breaches experienced in Ghana.

Table 3. Average Downtime caused by Various Information Security Breaches

Types of Breach	Average Monthly Rate of Occurrence (Hours)	Average Monthly Downtime (Hours)	Average Monthly Man Hours Lost
Virus Attack	3	3	3
Compromised Password	24	0	0
Denial of Service	1	1	1
Buffer Overflow	1	1	1
Misdirected Mail	0.5	0	0
Website Defacement	0.0075	0.7	0.7

Source: Field Study

Lurking Threats

The banks tend to be subject to various threats of the security breaches;

- Threat of intruders into the Banks Database
- Threat of Internet user accessing customer information on their web-related transaction systems
- Competitors accessing sensitive information on their systems

Mitigation Measures in Place

The response indicates that eighty seven and half (87.5%) of the total bank percentage have mitigation measures in place to check any form of information security breach that

occurs in the banks. Some of the security measures and tools put in place by the various banks in mitigating information security breaches are as follows:

- Security policies have been implemented with all staff made aware of the content.
- Installation of enterprise antivirus software to protect the systems on the banks network from virus infection as well as regularly applying updates to the antivirus software
- Regular application of patches and hotfixes to Operating Systems and bank-

ing application software to correct errors, bugs and vulnerabilities identified in the software as and when they are released.

- Installation of efficient and reliable Intrusion Detection Systems (IDS) and firewalls (both software & hardware) from accredited and certified manufacturers to prevent hacking activities on the banks network.
- Sniffers are available for monitoring breaches
- The use of Virtual Private Network Security (IPSec) and strong encryption methods to protect the access of sensitive assets (data) such as customer information and details from security breach.
- Remote monitoring and control of activities and tasks performed by staff or users on desktops of the various workstations in the banks.
- Encourage the use of long and stronger passphrase to secure customer data instead of passwords which could easily be cracked.

Summary of Analysis

Given the banks which were researched, the analysis above reveals the following;

1. Information security breaches have a relatively minimal negative economic impact on firms given the relatively low range of losses incurred in Ghana as a result of security breaches.
2. Information security breaches may have a net positive long-term economic impact on firms given the fact that it prompts firms to be more pro-active with prevention methods.

CONCLUSION

The research conducted on the banks concerning information security breaches within

the banking and financial institutions has shown that majority of the banks were very much concerned with both internal and external security breaches and also all the banks have in one way or the other experienced information security breaches before.

Common among these security breaches were computer virus, denial of service attack, buffer overflow and unauthorized access to private information. The effects of these security breaches are Network and Service downtime and the repercussions involved including cost in fixing or restoring the systems and loss of revenue due to downtime.

Various causes of security breaches were identified during this research, among others were the lack of adherence to user-defined rules and regulations that govern the use of ICT facilities, poor security awareness on consequence of information security breaches, and unrestricted and uncontrolled access of ICT infrastructure or facilities.

Notable amongst these causes are the frequent usage of flash drives (pen drives) by staff and the abusive nature in which Internet facilities in the financial institutions are accessed.

A predominant challenge facing most banks, predominantly Rural Banks is the inability to effectively disable USB ports on computer systems that need not have them and how to deny internet connectivity and access to staff whose abusive usage of the internet facility and computer systems for unofficial duties compromises the security and eventually can lead to competitors assessing sensitive information of customers personal details.

The research also shows that most of the banks have no security risk assessment modules and are not adequately equipped in accessing or

calculating the impact of security breaches but have mitigation measures in place to check information security breaches.

Most of the institutions tend to have information security policies. However, it is not implemented hence no user-defined rules, regulations and standards are available to govern computer system usage.

The analysis of information gathered from the Banks indicates that Information Security breaches have a relatively minimal negative economic impact on firms given the low range of losses incurred in Ghana as a result of security breaches. These breaches may also have a net positive long-term economic impact on firms given the fact that it prompts firms to be more pro-active with prevention methods for the security breaches.

Recommendation

The most invaluable assets within the banking and financial sectors in modern day are information assets, and this information is predominantly on networks. The challenge with managing this form of business risk (security) is that there are no clearly defined metrics and standards to measure the level of information security risk in Ghana.

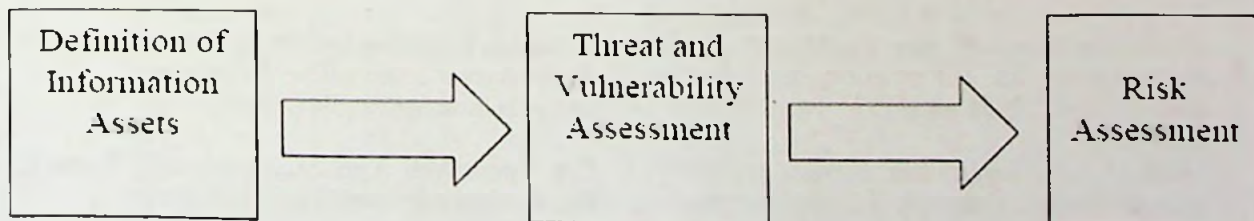
To accurately quantify risk caused by information security breaches calls for statistics, data and benchmarks to determine chance and frequency. Information risk assessment modules have by far been qualitative: typically it is done by classifying data sensitivity, defining risks for theft, disaster, hacking then evaluating the site against these risks.

This tends to be more qualitative than quantitative. A proposal to quantify the risk assessment of Information Security breach includes the following;

1. Definition of information assets such as databases, files, customers records, software and hardware.
2. Threat and vulnerability assessment: determining the threat agent such as fire, flood, theft and its likelihood of occurrence. The class of threat such as disclosure, modification, destruction or removal and its impact upon occurrence and consequence on business.
3. Risk Assessment: This involves assessing the adequacy of existing safeguards to protect against potential threats and vulnerabilities that are likely to occur in the banks.

Figure2

RISK ASSESSMENT OF INFORMATION SECURITY



Subsequently, financial institutions must define the Information Security policy and effectively implement the policies by educating all staff on acceptable and best practices. Security awareness must be an ongoing and evolving process; the management of financial institutions must

ensure that regular security awareness programs are conducted for all staff.

Management and Boards should deal with information security issues proactively, rather than reactively as investment in information security is far more cost effective in a preventative rather than a remedial context.

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APPENDIX: QUESTIONNAIRE FOR ASSESSING IMPACT OF INFORMATION SECURITY BREACHES ON BANKING INFORMATION SYSTEMS IN GHANA

(Please provide accurate information below and tick or select where appropriate.)

1. Name of Bank: Department:.....
2. Position or Rank: Gender (Sex): Male[] Female[]
3. What's the size of the bank's network in terms of computers (i.e. Servers, workstations/Clients/Nodes)?
 1 – 250[] 251 – 500 [] 501 – 1000[] Above 1000 []
4. Has the bank experienced any form of Information Security Breach from 2000 - 2009?
 YES [] NO []
 If YES, which of these information security breaches has ever occurred in your bank?
 Password Cracking [] Password Compromising []
 Buffer Overflow [] Denial of Service (DOS) []
 Web site defacement [] Hacked data []
 Computer viruses [] Data lost or stolen in transit []
 Misdirected mail [] Stolen Laptop or computer []
 Vandalism [] Terrorism []
 Information taken by rogue employees []
 Unauthorized access to private information []

Briefly describe how the bank was able to control this form of Information Security Breach:.....

5. Is your bank adequately equipped in assessing or calculating the impact of Information Security breaches? YES [] NO []
 If yes, do you think the risk assessment module(s) used by your bank is the best module for risk assessment? YES [] NO []. Please explain:.....
6. Does the bank have an Information Security policy? YES [] NO []
7. Has the bank implemented the details of its Information Security policy? YES [] NO []
 If you answered NO to the above question please give reason(s) or explain why:.....
8. Has the bank provided measures to check or investigate whether staff or workers are adhering to the details of the Information Security policy implemented? YES [] NO []
 If you answered YES to the above question please explain how:.....
9. Does the bank have any mitigation measures in place to check any form of Information Security Breaches? YES [] NO []
 Please briefly explain (the mitigation measures) if you answered YES to the above question.....
10. Does the bank grant equal internet connectivity access to all workstation users in the bank? YES [] NO []

11. Does the bank grant access to other users apart from its legitimate staff/workers?
 YES[] NO[]
12. Approximately how much has the bank spent to repair effects of Information Security breaches from 2000 - 2009?
 GHC0 - 1,000 [] GHC1, 001 - 5,000 []
 GHC5, 001 - 10,000 [] GHC10, 001 - 20,000 []
 GHC20, 001 - 50,000 [] Above GHC 50, 000 []
13. Approximately how much has the bank lost to Information Security breaches from 2000 - 2009?
 GHC0 - 1,000 [] GHC1, 001 - 5,000 []
 GHC5, 001 - 10,000 [] GHC10, 001 - 20,000 []
 GHC20, 001 - 50,000 [] Above GHC 50, 000 []
14. What is the average downtime (no service) experienced due to a specific security breach?

Types of Breach	Average Monthly Rate of Occurrence (Hours)	Average Monthly Downtime (Hours)	Average Monthly Man Hours Lost
Password Compromising			
Virus Attack			
Unauthorized Access to private information			
Compromised Password			
Denial of Service			
Buffer Overflow			
Misdirected Mail			
Website Defacement			
Hacked Data			
Vandalism/Terrorism			
Data lost or stolen in Transit			
Vandalism/Terrorism			

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THE STRATEGIC USE OF INFORMATION TECHNOLOGY IN THE RURAL BANKING SECTOR IN GHANA (NWABIAGYA RURAL BANK AS A CASE STUDY)

Mr. Lawrence Kwami Aziale,
Madam Elizabeth Afedo &
Mr. Emmanuel Kluivert Ahiekpor

ABSTRACT

The objective of this study is to evaluate the strategic use of Information Technology in the rural banking sector in Ghana. The study is case type in design and used a combination of probability and non-probability sampling techniques in selecting its sample. The analysis revealed that Nwabiagya Rural Bank lacks the desired technologies to support its operations. However, it was able to strategically employ the very limited technologies it has in place to gain some advantages in the sector. These advantages are shortening of customers' waiting time, cut down on its operating costs, provide convenient banking services to its customers and attract a large customer base thereby increasing its sales volume and experience sharp increases in its profit level since the deployment of ICT into its systems. Two major factors were found to be militating against the accelerated deployment of innovative technologies namely: lack of funds and a restrictive ICT policy by supervisory bodies like the Bank of Ghana and the ARB Apex Bank. The study concludes that, ICT has a positive impact on the bank's operations and therefore serves as a tool to attain competitive advantage in the banking industry.

Introduction

The quest for business to acquire strategic tools, skills and other resources in order to remain competitive, profitable and grow has never been witnessed in the Ghanaian business environment as in contemporary

times. Many industries in the economy, especially the telecommunication and the banking industries, are seen to be engaging in full scale competitive war, leading to sharp price reductions in their services, yet posing a great threat for survival for those that cannot easily align themselves with the use of modern

technologies, which are the weapons of the ongoing competitive war.

This study therefore seeks to find out how the rural banking sector in Ghana is using Information and Communication Technology (ICT) as a tool to cope with the ongoing competition in the banking industry.

1.1: Background of the study – the Rural Banking Concept

Rural banks (RBs), like any banking institution in Ghana, are formal sector financial institutions established as public limited liability Companies and operate under the **Banking Law 1989 (PNDC Decree 225)**. The mandate of RBs, among other things, is to mobilize savings from residents in the rural communities, accept cash and cheques for credit on current and saving accounts, assist customers in respect of their activities with a view to consolidate, extend and develop their undertakings and engage in any economic activity that will promote the social and economic development of the community within which they operate (Anin, 2000).

1.2: Rural bank as a strategic economic institution in Ghana

The concept of rural banking evolved in Ghana in the mid 1970s in response to the needs of the rural and agricultural sector for institutional finance. Though the rural and agricultural sectors were the largest contributors to the nation's Gross Domestic Product (GDP) contributing 40% to GDP, 60% of foreign exchange earning and provide employment to over 70% of the Ghanaian populace and remains a priority sector, it is characterised by low productivity due mainly to inefficient production technology and post-harvest bottlenecks. It is recognised,

though, that growth in the sector could be accelerated if there is increased investment in more modern production technology, infrastructure and enterprises involved in storage, processing and marketing (MiDA, 2008).

Attempts in the past to encourage commercial banks to extend their rural networks and advance credit to the agricultural sector failed to achieve the desired results since most of these banks tend to concentrate on financing international trade and urban commerce and industry. Not even the creation of specialized banking institutions like the agricultural development bank and the investment banks to service the sector yielded any good results as they also tend to gravitate towards the traditional banking activities which were more profitable and less risky. There was, thus, a gap in the provision of institutional finance to the rural/agricultural sector, which is the 'backbone' of the nation's economy and, thus, the rural banks were expected to fill this gap.

Due to the strategic role that the rural banking sector plays in the economic development of the nation, it is imperative that these banks remain competitive, profitable and grow. In the past decade however, changes in the global economy have entirely redefined industrial competitiveness. The core business of various entities, for instance, in the manufacturing industry, is no longer confined to the making of things but lies in the systematic processing of knowledge through the use of ICT to create value for customers.

The strategic importance of ICT either in manufacturing or service industry is highlighted by Lau (2001) when he intimates that:

Manufacturing-related business services that capitalize on the Internet and Information Technologies are expanding fast, and in fact, the availability of digital tools and equipment in the marketplace provide a major opportunity for enterprises to build stronger relationships with customers and partners which is the key to build a successful business.

The place of ICT in the banking industry is made much clearer by **Agboola (2007)** when he posits that:

Today's business environment is very dynamic and undergoes rapid changes as a result of technological innovation, increased awareness and demands from customers. Business organisations, especially the banking industry in the 21st Century operates in a complex and competitive environment characterized by these changing conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the centre of this global change curve.

Laudon and Laudon (1991) contend that managers can no longer ignore information systems because they play critical roles in contemporary organisation. They point out that, the entire cash flow of most 'fortune 500' companies is linked to information systems.

1.3: Statement of the Problem

The banking industry in Ghana has witnessed tremendous changes linked with the developments in ICT over the years. The quest for survival, global relevance, maintenance of existing market share and sustainable development has made exploitation of the many advantages of ICT through the use of automated devices imperative in the industry.

Yet, the rural banking sector, which is a key strategic sector in the banking industry in Ghana aimed at accelerating rural and agricultural development, appears to have a blurred picture in the adoption of ICT in its operations in the country. This situation coupled with the continuous influx of foreign and multinational banks into the country, with their determination to compete in all fronts in the industry poses a big threat to the competitiveness, profitability, survival and growth of the rural banks in the country. This situation has created a source of concern for the researchers, particularly when it is well known that the competitive position and the ability to maintain market share and growth in the banking industry is mainly dependent on the degree of diversified services provided by banks in the industry is facilitated by the adoption of various ICT facilities (**Agboola 2007**). The implication is that, if the RBs failed to remain competitive or are kicked out of the banking industry, the agricultural sector which is the major contributor to our nation's GDP will greatly suffer as none of the other commercial banks that are leading the competition in the industry is willing to advance funding to the sector.

This study therefore seeks to evaluate how Ghanaian Rural Banks are utilising ICT as a competitive and strategic tool in the banking industry, examine the extent to which they have adopted and deployed innovative technologies and analyse the resultant effects of these technologies on their operations.

1.4: Hypothesis of the study

1.4.1: Technology deployment and company competitive position

Technology generally has positive relationship with the competitive position of the adopting

institution. The fortune made by a number of successful world organisations is tied to technology deployment into their facilities (Agboola, 2007; Banks, 2007; Abor, 2008; Kucthta-Helbling, 2003; Laudon and Laudon, 1991). Factors such as time saving, error reduction, quality management decisions, speed of transactions, enhanced market share, and customer satisfaction with service quality, customer loyalty, and improved revenues among others, were assigned for the competitive impact that technology deployment brings to bear on the deploying institutions. The hypothesis couched out and verified relating to IT/organisation's competitive position therefore is of the form:

H₀: Technology deployment is not related to an organization's competitive position

H₁: Technology deployment is related to an organization's competitive position

1.4.2: Extent of economic gains from investment in new technology

In general, a positive relationship between relative advantages and technological adoption has been found (Quaddus et al., 2006; Weill and Aral, 2006; Kwon & Zmud, 1987; Rogers, 1983). However, economic gains from technological investment cannot be obtained synchronously. First, when new technologies are introduced, their potential may not be exploited fully because quite a few technologies are implemented on a trial and error basis (Ganon & Toulouse 1996). Second, during the initial stages, advantages of technologies cannot be obtained or even precisely determined whereas short-term costs are readily available (Gerwin, 1988). Third, technological investment requires an adaptation and learning process to combine environment, organization, team, task and technology for gains. Once the

misalignments of these factors are corrected and end users eventually adapted, economic returns then will turn out fruitfully (Applegate, 1992). Consequently, technologies have to be substantially invested together with minimum efficient usage then advantages from technology can be harvested. The hypothesis relating to economic gains from IT investment therefore is:

H₀: Economic gains cannot be obtained after a new technology has been substantially invested into.

H₁: Economic gains can be obtained after a new technology has been substantially invested into.

1.4.3: Training support impact on technology diffusion

Apart from technical features, important factors influencing the success or failure of technological implementation are organizational aspects such as training, top management support, interactions during implementation, user involvement, and motivated and capable users' attitude (Quaddus et al 2006; Kwon & Zumud, 1987; Manross and Rice, 1986). Since innovation can succeed only if end users have a full understanding of the technology, training is considered as vital policy to provide knowledge, reduce levels of resistance, create skilled human resources and increase managerial potential (Madu, 1989) as cited in (Quaddus et al. 2006). Generally, technology diffusion changes positively with level of training support. When technology is diffused, it creates learning environment that convince more end users to attend training and more trained staff and active staff enhance diffusion rate (Quaddus, 1996). Therefore, the hypotheses regarding training support are in the form:

H₀: Training support cannot increase the rate

of technology usage, relative advantage and sales.

H₁: Training support increases the rate of technology usage, relative advantage and sales

2.0: Research methodology

2.1: Study design

This research is case study conducted to evaluate how the organization was strategically using IT/ICT in its operations to gain competitive advantage in the banking industry in Ghana. The researchers chose this approach because many researchers namely **Heggade (2000)** used the case approach to study bank customer relationship in India. **Sharma and Singh (1993)** used the case study approach to analyze the impact of Information Technology on quality of customer services provided by Standard Chartered Bank (SCB), and **Shastri (2001)** analyzed the effect and challenges of new technology for banks using a case study approach. The researchers were therefore guided by the wide use of this approach in literature in the choice of design.

2.2: Sample size determination

2.2.1: Population of the study

The population of the study is made up of 15 management staff of the bank, 101 other members of staff of the bank and 40,573 customers as at 2005. The customers of the bank were made up of those who held various accounts with the bank before and after the deployment of ICT into its operations. The bank has two broad categories of customers: those in the formal sector, made up of salaried workers were approximately 13,524 and those in the informal sector, made up of petty traders and crafts men approximated at 27,049.

2.2.2: Sample size

The researchers used a total of 183 samples made up of 8 management staff, 51 other members of staff of the bank and 124 customers as sample for the study. However, the researchers were able to retrieve 94% of the questionnaires out of the 51 sent to the members of staff of the bank. The total sample employed in the analysis was therefore 180. Also, from the records of the bank, the researchers realised that formal sector customers were approximately one third of the total customers' population of the bank for the period under review. The researchers therefore used a ratio of 1:3 (formal sector customers: informal sector customers) for the selection of sample customers for inclusion in the study. The selection of the above sample was to provide representative views from the management, other members of staff and the various customer groups of the bank on the effect of ICT on the bank's performance.

2.2.3: Sampling Techniques

The researchers employed both probability and non probability techniques to select respondents for the study. The researchers used purposive sampling technique to select 8 out of the 15 management staff of the bank. The researchers applied this technique because of the expert views of this category of the sample on the subject of the study. It came to light during interactions with the management of the bank that some management staff of the bank joined the bank after the diffusion of ICT into the bank's operations. However the researchers were interested in the views of those management staff who were with the bank before, during and after the deployment of ICT into the system since they were in a better position to tell what effects ICT has brought to bear on the bank's operations based on their experience before and after the

deployment of the technology into the bank's operations. The technique also made it possible for the head of ICT unit of the bank to be included in the study since he has an in-depth view on the use of ICT in service delivery of the bank. For the selection of the sample from the bank's members of staff, the researchers used systematic random sampling technique. A list of names of members of staff was obtained and a sampling fraction of $\frac{1}{2}$ was chosen. The list of the names of members of staff of the bank therefore constitutes the sampling frame of respondents for the bank's staff. The sample fraction for the bank's staff therefore is:

$$\begin{aligned} \text{Sampling fraction} &= \frac{\text{Actual sample size}}{\text{Total population}} \\ &= \frac{50.5}{101} = \frac{1}{2} \end{aligned}$$

The researchers used systematic random sampling to select 51 persons from the list of staff members of the bank as sample for the study.

For the selection of customers as sample for the study the researchers employed a combination of stratified, quota and accidental sampling techniques. The customers of the bank were grouped into various strata (branches) and a quota consisting of a sample approximation of 24 persons was taken from each of the five out of the seven branches of the bank randomly selected. The assigned quota samples were then interviewed for inclusion into the study using accidental sampling.

Observation of the work processes of the bank was also done by the researchers to verify issues such as type of ICT tools that the bank has in place and waiting time of customers in the banking hall.

Results and discussion of the results

Data gathered were analysed using descriptive statistics. The findings of the study were presented using appropriate tables and charts to ensure easy interpretation.

Length of service of respondents/date of becoming a customer of the bank

Five (5) management staff respondents representing 62.5% served between 7-10 years while three (3) served the bank for more than 11 years. 44 of the general staff representing 91.7% of the staff respondents served between 0 – 10 years while 4 constituting 8.3 % served 11 years and above. Sixty customer respondents representing 48.39% joined the bank around 1997 - 1999 and 32 customers constituting 25.81% of this category of respondents joined the bank in the year 2000 and around 2001 – 2005 respectively.

The views of respondents on the length of service/date they joined the bank is very essential to the study since respondents who were part of the bank before and just after ICT was deployed by the bank are in a better position to assess the effects that ICT is having on the operations of the bank and to tell how NRB is using ICT as a competitive tool in its operations.

The analysis revealed that, all the management staff respondents were part of the bank before ICT was deployed into the operations of the bank. That is, they have served the bank for nearly 10 years and above implying that they joined the bank before the year 2000 when ICT

was deployed into the operations of the bank. For the general staff respondents of the bank, majority of them served between 0 – 10 years implying that many of them were with the bank before the deployment of ICT into the system. On the part of the customer respondent 48.39% joined the bank before the year 2000 and 25.81% joined in the year 2000 making a total of 74.2% of the customer respondents who were part of the bank before ICT was deployed into the system. This inference is made based on the fact that ICT was deployed in 2000 and so those who joined the bank in that year might have experienced the old state of the performance of the bank before full benefit could be harvested from the new technology. The sample groups are therefore deemed to be significant in providing a sufficient insight into the situation under study.

3.2: Hypothesis testing

Three hypotheses were couched out and tested as a mean to provide statistical evidence

on which conclusion of the study was based. These hypothesis were tested using chi square and the P – value of test statistic propounded by Keller, 1991.

To test the first hypothesis the researchers used such variables as 'cut down in operation cost, increase productivity, short waiting time and a general assessment from respondents on the bank's performance' since ICT was deployed by the bank as measures for use of ICT to gain competitive advantage.

From the test as illustrated by the Chi Square, table 1 shows a P-value of .000 for the variables tested. Since the P- value of each of the various variables was less than 0.05 which is the significant level at which the null hypothesis should be rejected or accepted, there is strong statistical evidence that the null hypothesis was not true and was therefore rejected. The alternate hypothesis was thus, accepted that technology diffusion is related to a company's competitive position.

Table 1: Test Statistics of ICT on Company competitive position

	ICT DOES NOT HELP CUT DOWN BANK'S OPERATING COST	ICT DOES NOT INCREASE THE PRODUCTIVITY OF NRB	ICT DOES NOT HELP REDUCED CUSTOMER WAITING TIME	EVALUATING THE PERFORMANCE OF BANK SINCE ICT WAS DEPLOYED
Chi - Square	21.125 ^a	12.000 ^b	18.750 ^b	36.375 ^a
Df	7	7	7	7
P-value	.000	.001	.000	.000

Source: field data 2008

For the second hypothesis the researchers tested the view of respondents as to what time in the deployment of a new technology the investing institution could expect economic gain from the investment since it was evident in literature that economic gains cannot be

made synchronously as new technology is being deployed. The result of the test as shown in the Chi -Square distribution Table 2 below rejects the null hypothesis of all the variables tested. As a result, the study supports the position of Ganon & Toulouse (1996);

Applegate (1992) and Gerwin (1988) that gains from new technologies may not be fully exploited as the system is being deployed due to such factors as misalignment of the technology with the organization's

environment, team, task and structure as well as the skill of staff, and the need for the staff to go through an adaptation and learning process to have the system well aligned for the necessary gains to be harvested.

TABLE 2: Test Statistics showing level at which gains from new technology occur

	BENEFITS FROM ICT ARE NOT FULLY MADE AFTER END USERS BECOME USED TO IT	MUCH GAINS FROM ICT CANNOT BE MADE IN THE FIRST YEAR OF DEPLOYMENT	FOR GAINS TO BE MADE FROM ICT THE TECHNOLOGY MUST NOT ALIGN THE STRUCTURE OF THE ORGANIZATION
Chi-Square	32.087 ^a	19.500 ^b	26.375 ^c
Df	7	7	7
P-value	.000	.000	.000

Source: field data 2008

With regards to the third hypothesis, the researchers tested the views of respondents on the effects of training support on technology diffusion, increased usage and increased sales volume using such variables as general training, top management training, end-users' training and banks with high ICT skilled personnel against those that do not have such skilled human resources. The test

as shown in the Chi Square distribution Table 3 below rejects the null hypothesis as the P-value of all the variables were less than 0.05. This provides strong statistical evidence that the null hypothesis should be rejected and the alternate accepted. Thus, training support increases technology diffusion, rate of usage and sales.

TABLE 3: Test Statistics showing training effect on rate of technology diffusion, usage and sales

	TRAINING SUPPORT DOES NOT AID SUCCESSFUL TECHNOLOGY DIFFUSION	MGT TRAINING IN ICT SKILLS WILL NOT ACCELERATE TECHNOLOGY DIFFUSION IN THE SECTOR	TRAINING OF END USERS DOES NOT ENSURE HIGHER PERFORMANCE	BANKS WITH HIGH ICT SKILLED PERSONNEL HAVE NO RELATIVE ADVANTAGE OVER OTHERS WHICH DO NOT
Chi-Square	27.000 ^a	57.333 ^b	19.500 ^c	34.833 ^b
Df	7	7	7	7
P-value	.000	.000	.000	.000

Source: field data 2008

3.3: ICT tools deployed by NRB

Nwabiagya Rural Bank (NRB) has a limited number of innovative technologies which support its operations as shown in Table 4. The bank has 56 Computers, 54 UPS, 7 Servers, 13 Printers, 6 line phones and one fax machines. All the computers were hooked onto the local area network (LAN) in the various branches with 3 of the branches (Magazine, Sagoe lane and Bohyen) integrated into wide area network (WAN) enabling customers of those branches to access their accounts with any of the three branches.

Table 4: Types of Innovative Technologies at NRB

TYPES OF ICT TOOLS	NUMBER OF ICT TOOLS
Computers	56
UPS	54
Server Computers	7
Printers	13
Telephones	6
Fax machines	1

Source: Field data 2008

3.4: Use of ICT as a strategic tool in the Rural Banking sector in Ghana

Reacting to how the bank was strategically using ICT in its operations, 100% of the management staff respondents said they apply ICT to shorten customers' waiting time. 91.7% of the other staff members of the bank strongly agreed that they used ICT to transact fast business with customers with 77.4% of the customer respondents strongly agreeing that less waiting time in the banking hall was the basis of the attraction of the bank to them. A further 98.3% of the customers stated that the less waiting time they spent in the banking

hall provided them satisfaction to continue to transact business with the bank.

The management of the bank further intimated that they use ICT tools to provide convenient banking to their customers. On the issue of using technology as a tool to track credit standing of customers, 75% strongly agreed that ICT tools deployed by the bank helped the bank track the credit status of customers of the bank. Fifty percent (50%) of the management respondents also strongly agreed that ICT assisted the bank track the performance of the various products of the bank. The researchers further sought to find out whether technology could be a tool for competitive advantage, 79.2% of the bank's staff respondents strongly agreed. This analysis brought to light a finding which supports the views of Bruno-Britz (2007) who holds that *'the introduction of ICT tools can provide a business that extra edge of competitiveness'*. However, 4.2% slightly disagreed with this view. The position of this minority group also explained the views of Strassman, (1990) who maintains that, *'gains from strategic information system is difficult to measure due to the fact that information system success is so intertwined with other aspects of how a business is conducted'*. This therefore makes it difficult for some people to see how precisely technology is leading a company to gain a competitive edge. Also, the view of this minority group of staff respondents further confirms the views of Kettinger et al. (1994) as cited in Brown et al., (1995) that *'if competitive advantage is gained from innovative technologies, it may not be sustained as innovation is easily copied by competitors.'* This is what we are witnessing in the banking industry in contemporary Ghana where banks are doing all things possible to copy any technology that their competitors deployed. Kettinger et al therefore concluded that *'if the technology is*

easily copied then the deploying institution may rather be at an economic disadvantage due to the high cost involved in pioneering the system innovation'. As a result of this tendency critics hold the view that technology is not a factor in gaining competitive advantage.

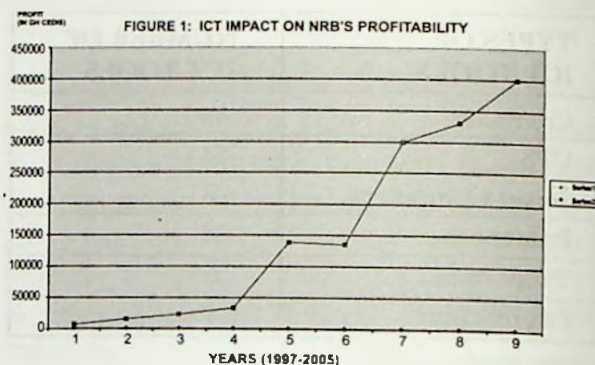
3.5: Impact on cost

Reacting to cost dimension impact of ICT on the operation of the bank, 50% of the staff respondents strongly agreed that ICT helped the bank cut down on its labour cost while the other 50% also held that ICT was somewhat important in cutting down labour cost to the bank. 93.7% of these respondents state that ICT has helped the bank to cut down on its general operating cost with 6.2% stating that they do not share the view that ICT was responsible for a reduction in the operating cost of the bank. However, views from the management staff respondents pointed out that since the bank networked its operations in the year 2000, the closing time of staff has drastically reduced from 7.00 pm and beyond to between 4.00 – 5.00 pm. In fact 100% of management staff respondents of the bank shared this view and intimated that this has led to a great reduction in such costs as overtime expenses.

3.6: Impact on profitability

Addressing the question as to whether ICT had any effects on the profitability of the bank, 75% of management staff respondents strongly agreed that the introduction of ICT has brought about efficient management decisions by the bank. This, they argued, has made the bank more attractive to customers thereby attracting a large customer base and large sales volume by the bank resulting in the profitability of the bank. The management staff respondents further strongly held that the introduction of ICT in the year 2000 has tremendously improved the transaction of

the bank and thereby resulting in the bottom-line of the bank's profitability. Also, 75% of the bank's staff respondents strongly agree that ICT has greatly increased the productivity of the bank. A further 41.7% said ICT was very important in facilitating easy introduction of new products by the bank. This ultimately results in the profitability of the bank. Further more, addressing the issue of ICT and the profitability of the bank, secondary data collected from the banks Books of Accounts on the profit levels of the bank over the periods covered by the study shows that the bank has recorded a continuous increase in profit far above the years before 2000 when ICT was deployed to the bank as shown in Figure 1.



Evidence from the ICT effects on the bank's profitability analysis revealed that the bank's profit level went up sharply between the years 2000 and 2001 (points 4 and 5) after ICT was deployed into the system. There was however a nearly constant profit level between 2001 and 2002 (points 5 and 6) and picked up again strongly in 2003 and sustained the upward trend through out the rest of the period. What is significant in this analysis is that, the rate of increase in the profit of the bank was higher from the time ICT was deployed into the system than the situation in the years before, indicating that ICT deployment has a significant effect on the profitability of the

bank. However, the sharp increase in the year 2000 defeats the argument by Gerwin (1988) that 'during the initial stage of the introduction of technology into a system, advantages of the technology cannot be obtained'. This therefore calls for further research into what accounts for this increases.

3.7: Factors responsible for the slow rate of ICT deployment in the Rural Banking sector in Ghana

Three major factors prominently surfaced, among others, as the key elements militating against the accelerated deployment of ICT in the Rural Banking Sector. These are lack of funds by the Rural Banks, inappropriate technology policy by supervisory bodies like the Bank of Ghana and the ARB Apex Bank and lack of clear understanding of ICT functions and management support. These positions were evident in the analysis with 100% of the management staff respondents strongly agreeing that lack of funds by the rural bank was responsible for the slow deployment rate. This position was shared by 91.7% of the bank's other staff respondents. A further, 75% of the bank's management and other staff respondents strongly held that lack of appropriate policy by supervisory bodies was responsible for the slow rate of technology diffusion in the sector. Also, the bank's other members of staff held that lack of clear understanding of ICT functions and management support were all responsible for the slow rate of technology diffusion to the bank.

3.8: Means to accelerate technology deployment in the rural banking sector in Ghana

When asked what could be done to ensure accelerated deployment of technological tools in the sector, 50% of the management respondents stated that adequate funding

support to the rural bank was necessary if the sector was to see any growth in the deployment of ICT in the sector. Also, 75% of these respondents said the Bank of Ghana and other supervisory bodies that oversee the affairs of the RBs should give rural banks the free hand to determine their own fate as do other commercial banks when deciding which technology to deploy. The management of the bank lamented in an interview that though the policy by the Bank of Ghana and the ARB Apex Bank that all RBs should deploy same technological platform (Emerge), might have some common benefits to the RBs, it is restrictive and places a lot of burden on those banks that could not afford that technology. They suggested that those banks which could not afford the Emerge should be allowed to deploy any technology that might be capable of supporting their operations.

Conclusion

The study concludes that though NRB has limited technological tools in place, the bank has been able to strategically use the very few technologies it has as a strong competitive tool to cut down on customers' waiting time, attract customers, deliver fast and convenient transactions, cut down on its operation cost, support efficient management decision making process, increase its productivity and profit levels since the deployment of ICT into its operation.

On these bases, the study concludes that ICT has a strong positive impact on the bank's operations and therefore serves as a strategic tool to attain a competitive advantage in the banking industry in Ghana.

Recommendations

Based on the findings and conclusion of the study the researchers recommend as follows:

First, since the results of the study indicate that NRB, like other rural banks in the country, has very limited innovative technologies in place, against the background that the bank's operations have seen much improvement as a result of the few ICT tools it has deployed, the management of NRB should endeavour to bring on board more innovative technologies to help the bank survive the current wave of competition in the banking industry so as to contribute its roles to the economic development of the nation.

Second, the results of the study further indicate that though NRB has succeeded in strategically employing the few ICT tools it has deployed, the technology is not very functional resulting in intermittent break down in service delivery to customers. It is therefore recommended that the bank should take steps to consult experts on powerful tools that can support its technology to ensure efficient service delivery.

Third, with the finding that lack of funds and inappropriate policies were the principal causes of the slow rate of technology diffusion in the rural banking sector, the study recommends that government should provide these banks with adequate funding to assist them acquire the necessary technologies to support their operations and remain competitive. This is imperative as the continuous existence of these banks is very crucial for the growth of the rural economy especially the agricultural sector which continues to be the back bone of the nation's economy.

Fourth, it further recommends that the Bank of Ghana and the Apex Bank should formulate policies that give the rural banks a

free hand to decide their own fate on technology deployment issues since it was revealed that these bodies want all rural banks to roll out same technological platform which might be unsuitable for some or too expensive for them to afford.

Fifth, management of the rural banks should ensure that they involve their workers (end users) in any technology deployment discussion to guarantee system ownership by all those who are to ensure that the system works. Training support, top management commitment, and staff motivation should also be looked at to ensure that the rural banking sector sees in the near future an accelerated deployment of ICT in the sector to make the sector more competitive.

Acknowledgement

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Students Corner

CAREER DEVELOPMENT IN THE FIELD OF FINANCE IN THE 21ST CENTURY

Prof. J. B. K. Aheto

ABSTRACT

More than in other period of our economic history, the Finance Professional (FP) in the year 2020 (the next decade) will be subject to a variety of contradictory forces. The FP will need to be a generalist while providing specialist insight. They will have to be a team player while exhibiting strong leadership skills. They will be at home utilizing high technology as well as traditional methods of financial reporting.

The world of 2020 will be a more competitive and leaner managed environment. Governments will retreat from the economy and embrace the notion of privatization more fully. This, ironically, will result in greater competition, and greater corporate concentration.

As countries seek to create greater wealth, economic barriers will fall and wider opportunities will exist for the global thinking Finance Professional. Such individuals will be schooled in the cultural values of different nations and possess multilingual talents.

FP will also have to embrace the values of environmentalism more widely. No longer seen as just good public relations, environmentalism will be a core strategy of the modern corporation of 2020. Equally important, ethics will become an essential part of the corporate culture and essential component of the FP's outlook.

The FP of the year 2020 will also have to operate in an environment of a flattened management structure. The FP will expand from his or her accounting/finance background, and work with specialists from a number of diverse areas. Technology will also drive the FP vision of the world in 2020. No matter how important technology becomes, the FP will still rely extensively on traditional skills.

Ultimately, the FP of 2020 will bring many talents to the corporation of the future including ability to act globally and yet think locally.

Remember the year 2020 is just five (5) years after the 2015 Millennium Development Goal (MDG) target date for selected African countries including Ghana to achieve middle income status.

Introduction

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness.....”
Charles Dickens

Setting the scene for his novel 'A Tale of Two Cities,' Dickens depicts an era fraught with contradictions. Like the narrator in the opening passage, the Finance Professional of the year 2020 must operate in an environment characterized by inconsistency and asked to utilize skills that could be viewed as conflicting.

The FP of the year 2020 will be a generalist while providing specialist insights. He or she will be a team player while providing strong

leadership, will have to be sensitive to financial issues while respecting the needs of the environment, will use cutting edge technologies to predict change and increase performance as well as utilize traditional methods of reporting historical financial information.

Much of the change in the position of the FP in the year 2020 will be driven by the continued move towards privatization and deregulation, a greater emphasis on the needs of the environment, a need to promote stronger ethical behaviour. The year 2020 will also see a greater emphasis on creating flexible corporate hierarchies that can adapt quickly to change within the organisation. Perhaps one of the most important issues facing the FP of the year 2020 will be continued trends towards global free trade and the internationalization of money markets.

Privatization and the Global Economy

Competition resulting from trends such as privatization and reduction of the regulatory burden is a major trend that will continue into the year 2020. Once the preserve of governments with a conservative policy, deregulation has become *de rigueur* with governments of all philosophies. Even leaders like former South African President Nelson Mandela who had long espoused nationalization now promote privatizing state run corporations in order to liberalize their economies.

Pressures from international trading agreements such as the North American Free Trade Agreement (NAFTA) and the World Trade Organisation (WTO) are forcing countries to liberalize their economies and reduce the regulatory burden. This puts added pressure on corporations in both the public and private sector to reduce overheads and costs while improving service and efficiency.

At the same time, as certain high technology sectors of the economy face greater competition and bear greater costs of new product development, there will be a trend toward greater corporate concentration. A good example of this exists in the area of aviation where civilian aircraft manufacturers were able to rely on extensive government funding. No more. Aviation manufacturers find themselves forced into mergers, reducing the number of corporate players to a handful.

Global Free Trade and Cashflow

The trend established in the last decade of the 20th century toward free trade will continue unabated into the year 2020. The WTO/NAFTA agreements will spur additional economic growth, creating tremendous opportunities for direct investment and

international trade. While sovereignty and economic nationalism will continue to be forces to be reckoned with, there will be no turning back.

For the FP this removes any impediments to the truly global corporation and creates incredible production advantages. The FP of 2020 will rely even more on the international lending institutions and need to fully appreciate foreign exchange issues.

Consequently, the FP of 2020 must be at ease with international protocols and understand local and regional cultural values. More than ever the FP will need the skills and capabilities to operate in two, possibly three or more languages.

Environmentalism

For many years, corporations, governments and many FPs embraced environmentalism more as a public relations strategy rather than a specific corporate goal. Decision making does not only involve maximizing cashflows, it also involves "doing the right thing".

In the future, the FP will also have to be able to anticipate the environmental costs of decommissioning a certain type of manufacturing facility or of discontinuing a particular kind of enterprise. The true art and skill of this type of futurism will be in anticipating laws that may not at that time be formulated.

The change between this activism of the 1990s and the year 2020 will be that environmentalism will be further codified in the law. Courts in advanced countries (especially Canada) are already convicting executives and directors of companies that are found to be in violation of environmental regulations.

Consequently, the FP of 2020 will have to anticipate such violations and working with other members of the decision making team will have to adequately prepare the corporation to preempt these types of action. Clearly, the FP will have to identify non-financial factors that will have an impact on decision making in the year 2020.

Ethics

In the close of the 20th century, the mandate of business schools has been to teach students to maximize cash flows. In order to maximize cashflows in the year 2020, the FP will have to advance strategies that do more than just obtain the maximum market share at the lowest cost. The FP will have to be a citizen of the community, the nation, and ultimately, the world, while exhibiting the highest standards of ethical and moral behaviour.

A critical part of the FP's future development will be to act as a model of ethical behaviour and lead through example. Corporations will continue to find that market share is founded very clearly on service and customer loyalty. As such, it is incumbent on them to demonstrate ethical behaviour that is beyond reproach.

During the 20th century, the accounting profession and auditors in particular have been particularly vulnerable to lawsuits. Various reports, notably the Cadbury Report in the United Kingdom, have identified a number of shortcomings in the profession that have aggravated this problem.

Companies that do not fall foul of good corporate behaviour find that they can be the target of consumer and investor boycotts. If they are found to be unethical, the erosion of trust and confidence results in a variety of backlashes. On the other side of the coin,

companies that promote high ethical standards and moral conduct can gain the public's confidence and more dollars.

A recent study (admittedly not truly scientific) by the Auditor General of Canada found that Canadian civil servants were generally very ethical and had a good understanding of conflicts of interest. But the Auditor General's report did find some deficiencies and point to the need for formal ethics training in the future. These deficiencies whether in the government or corporate sector, challenge the very accuracy and the credibility of the organisation. So the FP of the year 2020 will have to institute solid ethical guidelines and codes of conduct for directors and employees alike.

Flattening of Management Hierarchies

The focus of the FP of 20th century has been for the larger part of management accounting. In the year 2020, greater pressures will be on organisations to flatten their management structure which results in broader, team approaches to corporate management.

The role of the FP has transformed significantly from the days when accounting and finance was based on simple recording of historical financial information to being a member of a task oriented team predicting corporate performance. This puts the FP in touch with specialists within the financial profession, law, human resources, the environment, communications and electronic data processing.

The FP will have to further realise that individuals are the key resource of the company. It is the individuals which give the corporation its competitive edge. As a leader, the FP must learn to manage to maximize corporate performance.

In dealing with the employees of the organisation, the FP will play a greater role in motivation and compensation. As organisations reduce middle management, outsource more positions and confront the need to generate efficiencies, the FP will look at better ways to reward the employees left behind often using non-financial tools.

FPs may at times need to turn directly to employees when seeking to keep their companies in business. The automotive industry turned to its employees to reinvent itself. Similarly, United Airlines and Canadian Airlines International each relied on employee buyouts as they sought to restructure their fortunes to avoid bankruptcy and failure. This type of solution combined with employee empowerment will be a greater trend in the year 2020 and a force the FP will need to harness.

Technology

Technology will in many respects have the greatest impact on the role of the FP in the 2020s. We are already witnessing the dramatic developments and potential in this area including the availability of tax regulations on CD-ROM, databases available via modem, and access to other financial information via the Internet. This is likely the most contentious area to predict since the rule of technology over the past three decades has been its very unpredictability.

The computer, as one example, has given financial managers incredible access to financial information and has expanded the collection and collation of detailed information. However, there are concerns that accountants and finance professionals are often preoccupied with historical financial performance. The challenge for the year 2017 will be to make information up to date and to

use it in a way to provide better financial reporting.

Other developments in multimedia technology, telecommunications and new software and hardware, will provide FP and their work teams access to up-to-date educational materials that will again increase their working efficiencies.

Ultimately, the FP will have a vision to understand technology and have an ability to make corporation more productive.

What Type of Person will the FP Be?

In dealing with the future of the FP in the year 2020, it begs the question of what type of person should be the FP be and how should he or she be trained.

It is clear that the FP in the year 2020 will have to fully grasp the accounting and finance body of knowledge. But beyond their accounting and finance knowledge, what other skills should they have? A good place to start in 2020 is what employees seek of their FP. A study of entry level accountants and financial professionals in the United States showed that they are dominated by graduates in the public accounting to the neglect of skills in managerial accounting and financial mathematics.

That same survey showed that entry level accountants and finance professionals had a lack of practical experience, little understanding of the big picture, poor communication and insufficient preparation in manufacturing accounting, international finance and marketing.

Clearly, as corporations flatten their management structure, the FP will have to have a strong sense of vision and ability to choose the right people to deliver the best results. They

will have a global view of events while providing an ability to operate and act in a local environment. They will have to be team players, but need to know when to act and do so decisively. Ultimately, they need to have a wide view of events in a very general environment, but at the appropriate time bring a great deal of specialist information to bear.

taught through conventional study or special courses. The core body of knowledge of accounting and finance can be learned, but many of the skills that will drive the successful FP are beyond the realm of a text book or a workshop. Learning and teaching those skills will be the ultimate challenge.

CONCLUSION

Still, the final paradox for the FP of the year 2020 is that many of these skills cannot be

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THE ROLE OF PROFESSIONAL ASSOCIATIONS TOWARDS THE SURVIVAL OF BUSINESS PROFESSIONAL EDUCATION IN GHANA

Prof. K. B. Omane-Antwi
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ABSTRACT

In the past decades, the public as well as academia appeared to have viewed with pessimism, the role of professional associations and their contribution to the creation and development of professional business education. The suspicious views prevailed because the associations were perceived as special interest groups that could influence the political and economic systems negatively. However, in recent years, the unfavourable views held earlier are changing, and are being replaced with more positive ones, both at the international political levels as well as in academic circles. The reason is simple: there is now strong evidence that suggests that professional associations can make significant contribution to development, in general, and professional business education, in particular. In this paper, I intend to focus on the value of professional associations and the positive interconnectedness that exist with professional business education.

Introduction

Profession is defined as an occupation, practice, or vocation requiring mastery of a complex set of knowledge and skills through, formal education and practice or experience. A professional association is therefore a body of people in a learned occupation, i.e., a body

of persons engaged in the same profession, formed usually to control entry into the profession, maintain standards, and represent the profession in discussions with other bodies/organisations.

Lord Hailsham, writing in 1976 for the UK Institute of Chartered Secretaries and

Administrations, opined at that time that “professions par excellence were, the church, the law, medicine and the officer grades in the armed forces”. But this is not only wrong today, even if it were ever right; it is, in fact, positively misleading. The growth in the number of professions shows it to be false. Any attempt to define the term simply by enumerating individual members of a class is bound to be misleading. Professions today are more numerous than they have ever been in the past, and their services more than ever essential to the public weal.

ATTRIBUTES OF PROFESSIONAL ASSOCIATIONS

The following are some of the necessary and essential attributes of professional associations:

- Autonomous expertise and the service ideal.
- A systematic body of theory, the mastery of which is a pre-requisite for the acquisition of the needed skills.
- An aura of mystery surrounding the profession; a set of tacit assumptions which separate the profession from the more general occupational milieu, but which are difficult for the layman to learn.
- Professional authority.
- Sanction of the community.
- Regulative code of ethics and conduct.
- Professional culture:-
 - Organisation, which renders a service.
 - Organisation, which provides group consciousness.
 - Organisation, which develops talent and knowledge.

Flowing from the professional culture and the service ideal, let me digress and examine quickly the contributions of professional associations in sustainable economic growth.

Figures 1, 2, and 3 pictorially depicts the flow of such contributions and provide 'food for thought' for everyone reading this paper.

Figure 1: Key drivers/players in the New World Order

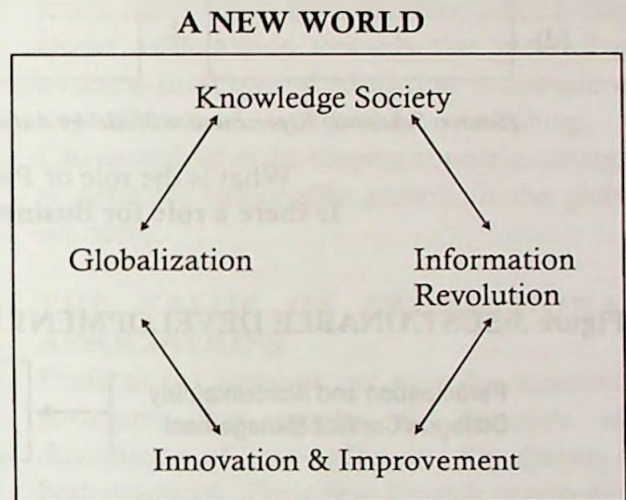
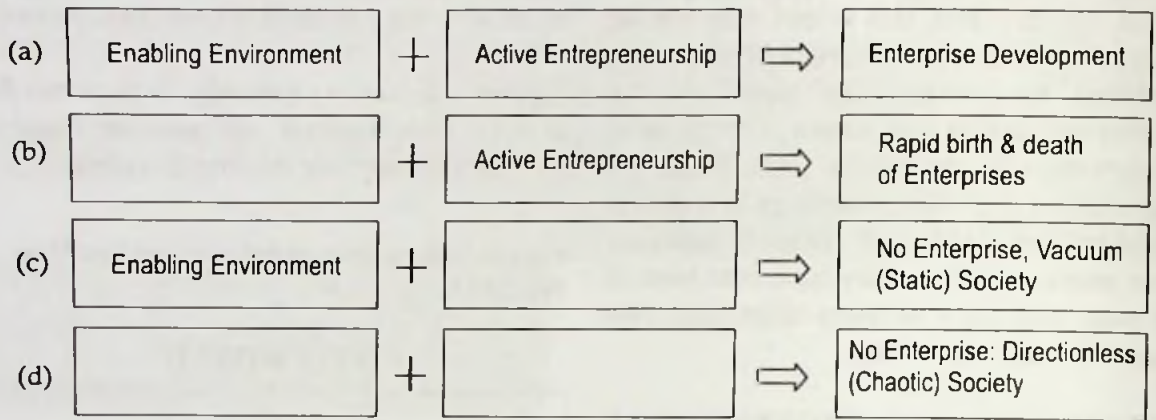


Figure 2: Growing Businesses

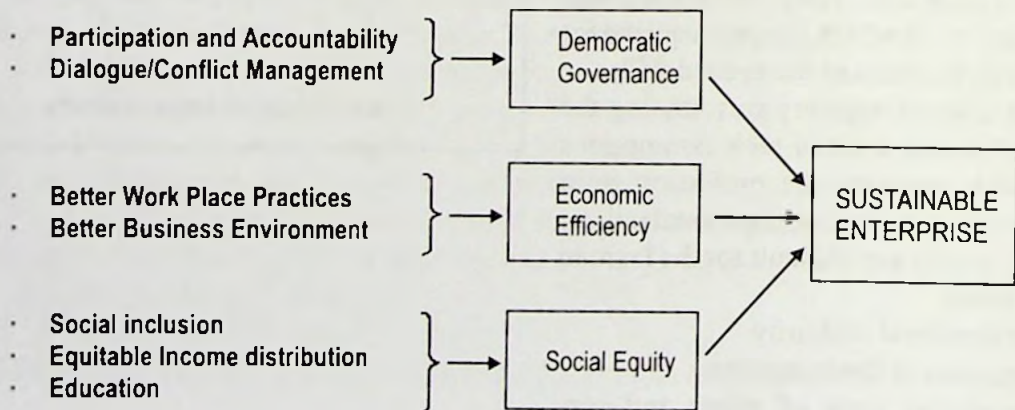
ENTERPRISES DEVELOPMENT SCHEMATIC FRAMEWORK



(Source: Schematic Representation Model by Author: 2010)

What is the role of Professional Associations?
Is there a role for Business Professional Education?

Figure 3: SUSTAINABLE DEVELOPMENT FRAMEWORK



(Source: Schematic Representation Model by Author: 2010)

What is the role of Professional Associations?
Is there a role for Business Professional Education?

INVESTMENT IN HUMAN CAPITAL

How well countries conquer their environments and overcome the challenges of development depend significantly on the quality of the human capital. Indeed, because of the inherent attributes of professionals, the survival and prosperity of any nation characterised by poverty, famine, disease, misery, environmental degradation, prostrate infrastructural facilities, etc., are contingent on its predisposition to the cause of professionalism. In other words, the ability to adequately meet basic needs and conquer one's environment is facilitated, in the main, by the quantum of professionalism in existence. This clearly implies that investment in the knowledge industry (business professional education, in this context) is the most strategic survival option for our time. Without doubt, intellectual capital – not natural resources, machinery, or even financial capital – has become the one indispensable asset of corporations and nations. Thus, the ability of many less-developed countries to make significant progress many years after attaining political independence is not far removed from the little premium they place on technical skills, and by definition, professionalism.

THE PLACE OF PROFESSIONALISM (PROFESSIONAL ASSOCIATIONS)

Professionalism entails mastery of a specialized skill, display of objectivity, discharge of duties to society, and strict adherence to sound ethical values. These attributes or qualities help the professional to be efficient and effective at all times as he strives to add value to economic results. Because he is empowered by his expertise and quest for knowledge, he accommodates no red-tapism or bureaucratic bottlenecks in the decision-making process, hence the frequent calls for the use of professionals in doing government business.

With the current global economic scenario depicted by advancement in information technology, rapid changes in production technology, and production processes, fierce market competition, and the unethical activities of many multinational companies, there is the need to evolve strategies that will increase and sustain growth in all regions of the developing world. This, therefore, makes investment in knowledge industry the most strategic survival option of our time.

It is in light of the above that the role of professional associations towards the survival of business professional education is considered important and worthwhile examining, as Ghana and other developing countries struggle to generate sustainable growth in the global economy.

THE VALUE OF PROFESSIONAL ASSOCIATIONS

Professional associations provide organising structures that support the creation and distribution of knowledge, and the sharing of best practices. They also furnish appropriate frameworks for solving problems and obtaining advice, and a forum to debate what being a professional means in various contexts.

Professional associations are essential for the vitality of the business education profession. Professional associations offer key services that support professional development, professional practices, knowledge generation, and research. The outcomes from these services include:

- Promoting quality education and excellence in the profession.
- Fostering educational leadership and direction.
- Encouraging career development and professional growth.

- Developing and maintaining an ongoing relationship with businesses and other stakeholders.
- Nurturing partnerships within educational communities.
- Promoting a spirit of fellowship.
- Recognizing professional members, business partners, students and members of organisations for outstanding contributions.

These outcomes are valuable to members' business education, the profession, business, and the community.

VALUE TO MEMBERS

A professional association is its members! Active participation by members is mutually beneficial to an association and its members. The vitality of an association is perpetuated by the contributions of the members. The members benefit through the various activities and services of the association.

Through the associations' publications, members share ideas on cutting-edge information, practices, and research. Publications include journals, magazines, newsletters, white papers, and electronic publications. These forums or fora provide individuals with an opportunity to share best practices and/or explain how trends in the larger community impact the profession. Practical, interesting, and relevant to the practitioner, publications help define the purpose and direction of the association. Members are often the authors as well as avid readers of the publications. Thus, quality publications support dynamic communities of practice.

Members also have the opportunity to obtain and share best practices and the results of research through networking, presentations,

communities of practice, publications, and other means of communication (websites, discussion boards, e-mail, chat rooms listservs etc.). Professional associations provide opportunities for leadership development, industry certification, job searches, on-line experiences, and professional growth and development through conferences and other activities of the associations. Opportunities to participate give members a venue for sustaining camaraderie. Members benefit by developing friendships, sharing ideas that foster a higher quality of educational environment, and discussing problems and ways to solve them.

Professional associations encourage members to participate in research activities as researchers and/or as participants. Professional associations may provide financial resources and professional support for research. Thus, members will strengthen the profession by participating in research, as well as by applying research results to enhance their programmes.

VALUE TO THE BUSINESS EDUCATION PROFESSION

Professional associations provide leadership, direction, and a united voice for the business education profession. The vitality and credibility of the profession is sustained through associations' activities, programmes, and research. Professional associations serve as agents of history by archiving information for the profession. The leadership uses these historical elements of the association to provide direction for the profession.

Marketing strategies are a key components in sustaining the profession. As professional associations market the profession, all stakeholders benefit. The values and goals of the profession are reflected in the marketing

strategies of professional associations.

For the profession to prosper, professional associations must provide a forum for the exchange of ideas to provide direction for the profession. These forums or fora may include conferences, seminars, and training sessions. Members meet face-to-face to exchange ideas, interact, develop relationships, and strengthen professional networks.

A knowledge base is the foundation of the profession. Professional associations expand the knowledge base through continuing research. Thus, research is vital to the health and growth of the profession. Research improves teaching practices, administration of programmes, and curriculum development.

A unified voice for the profession is available through the association. This voice advocates for the profession on behalf of educators at the local, state, and national levels on issues such as legislative initiatives and mandates. The association must therefore provide leadership, direction, and a unified voice for the profession.

VALUE TO EMPLOYERS OF EDUCATORS

Employers of educators benefit from services provided by professional associations when their business educators actively participate in them. Active participation in professional development opportunities facilitates the development of highly qualified and competent educators. Through members' professional involvement, employers have access to standardised curriculum, assessment tools, industry standards, funds for research, outlets for publications, and employer recognition. Employers also benefit from the career

placement services provided by professional associations. Thus, employers should encourage their business educators to maintain active role in their professional associations.

VALUE TO STUDENTS, BUSINESS, AND COMMUNITY PARTNERS

Students directly benefit from educators who are actively involved in professional associations. Business and communities ultimately benefit when highly trained students assume their roles as productive citizens and employees. Businesses with access to a well developed workforce are more competitive in the global marketplace. Professional associations assist educators in responding to environmental trends. Thus, students, businesses, and communities profit when educators actively participate in programmes and activities of professional associations.

Members of a profession, employers of educators, businesses, and communities, as well as other stakeholders, are the beneficiaries of successful professional associations. As Professional associations grow and expand, they must continuously respond to changing demographics and societal changes through needs assessment and strategic planning. Students, businesses, and communities are the ultimate beneficiaries of strong, dynamic and responsible professional associations. Thus, viable professional associations are essential to the life of the business education profession.

PROFESSIONAL ASSOCIATIONS AS FACULTY MEMBERS IN BUSINESS EDUCATION – CLINICAL FACULTY CONCEPT

To increase relevance, or the perceptions of relevancy in their programmes, and to fill faculty vacancies in the face of shortage of

academically qualified business faculty, many schools of business are turning to members of professional associations (business practitioners) to teach business classes.

The preeminent accreditation body for business in the USA for business schools, Association to Advance Collegiate Schools of Business (AACSB), now uses the term clinical faculty for business practitioners. The term "Academically Qualified" (AQ) and "Professionally Qualified" (PQ) were introduced in the 1991 AACSB standards. According to AACSB (2006: 3), faculty designated as PQ must meet the following qualifications:

- i. At least, a masters degree (or equivalent qualification) in a discipline or field related to the area of teaching responsibilities.
- ii. Professional experience, at time of hiring, that is significant in duration and level of responsibility, and consistent with the area of teaching responsibilities.
- iii. Continuous development of activities that demonstrate the maintenance of intellectual capital (or currency in the teaching field) consistent with the teaching responsibility.

The PQ faculty (under the clinical faculty concept) supports knowledge partnership involving business practitioners and business schools. This is a direct response to the debate regarding the relevancy of business education. Some have argued that business practitioners should take a larger role in determining business school curriculum. Bennis and O'Toole (2005: 103) state that "practitioners

must adopt a governance role" in professional business schools.

One issue concerning the use of practitioners, especially lower executives, is that practitioners may teach how their specific organization operates rather than concepts and theories that apply to a variety of organizations. This relatively negative outcome can be minimized or even eradicated by running a bridging programme for the practitioners to help those wanting a transition to a career in academia. The aim will be to help practitioners concerned to understand teaching methodology and relevant academic issues and thereby develop effective teaching skills.

RECOMMENDATIONS FOR MAXIMIZING PROFESSIONAL ASSOCIATIONS' CONTRIBUTIONS TO BUSINESS EDUCATION

Creation of Internal Speaker's Bureau for Professional Association: one way to widen the exposure of more students to professional associations and also the business world is to create a speaker's bureau that traditional academic faculty can call upon for guest speakers for their classes. If professionals, as part of their normal duties, are expected to serve as guest speakers for a range of classes, more students would be able to have access to "gurus" in the profession and their ideas. To implement the concept of speaker's bureau, practitioners would list several business topics on which they feel qualified to speak to students. Whenever the faculty needs guest speakers, they would access the list and find the appropriate speaker. The list should have topics that spread across all business disciplines. These could range from specific topics such as effective recruitment techniques, which would be appropriate for human resource classes, to general topics, such as

ethics or successful career techniques, which would be appropriate for a wide range of students.

Practitioners can be excellent public relation tools for business schools. They can speak at various club meetings and at other gatherings of business people and in doing so, they can speak about the positive moves that a particular business school is making and thus, help increase the visibility of the business school in the community.

Create Linkages to the Business Community Using Professional Associations: Create programmes that bring the business community to the University's Business School or the Business Professors to the Business Community. For example, if professionally qualified faculty is finance professional, perhaps, a series of seminars for business community members regarding retirement planning or investment strategies could be implemented. The business school can organise lunch or dinner sessions with renowned faculty and run a series of seminars on financial topics for business community members. These programmes would provide a service to the community and also raise the visibility of the business school.

Use Practitioners as Fundraisers: Although the deans and university staff are usually the primary fundraisers for business schools, partnership with practitioners (professional associations) will accord the business schools unique opportunity for networking and tapping into potential donors. Business schools corporate faculty is a good linkage in fundraising efforts. In this day of financial problems for most universities, such fundraising efforts may be crucial to the business school's ability to offer quality programmes.

The Laboratory Experience Concept: Current economic conditions have changed the dynamics of all employment, including accounting (my chosen profession), which traditionally has had supply shortfalls. To hire new staff of accountants, the profession today requires added soft skills to the list of competencies that successful accountants should possess. Therefore a case has been made that accounting educators have a responsibility to help prepare students to make the transition from being unfocused high school seniors to contributing members of a professional service team. It is therefore incumbent upon accounting educators to prepare students to be competitive in unfolding economic future.

An incremental laboratory experience, defined to create an environment for soft skill development that does not diminish the attention to accounting theory and technical development is the answer. The laboratory is based on assessment needs identified by the profession. The laboratory experience creates environment to experience (i) professional motivation; (ii) emotional intelligence; (iii) soft skills development; (iv) Career skills; and (v) time management. These specific skills are grounded in the context of emotional intelligence (Goleman, 2004), which focuses on student's individual responsibility for creating their own professional future.

The laboratory experience has a dual focus - satisfying the needs of students and the accounting firms that employ them, by creating mature professionals able to maximise the contribution they make over their entire careers. The laboratory experience is designed to motivate students take ownership of their professional future early in their accounting education, resulting in their having satisfying experience in their studies, and ultimately, their careers.

The Model Office Concept: Back in 1986, I recommended in my masters dissertation, the concept of a model office to train accountants to acquire the requisite skills in accounting. The Business School can develop a model professional office to take on jobs from organizations. In a signed memorandum of understanding, accounting function can be outsourced by a company to the consultancy unit of a business school. Under the leadership of executive professors, accounting function can be performed professionally under supervision by years 300 and 400 students. The model office concept will seek to develop the practical understanding of students and act as skills development experience (internship scheme).

CONCLUDING THOUGHTS

Professional associations play multifaceted roles, whose degree of emphasis and importance vary according to the stage of the change process in business education.

Professional associations are commonly known to be agents of change in the business education process. Through the routines of licensing, training, professional development and the mentoring and disciplining of behaviour, professional associations supposedly act to underpin existing conventions and values and thereby ensuring professionalism in business education delivery.

Business Professional Schools share a complex relationship with Professional Associations. As agents of change and advocacy they play an important role of leadership in how the two bodies (i.e., Business Professional Schools and Professional Associations) relate and how they experience their own involvement with one another.

Regardless of the nature of their relationship, the Business Professional Schools and the Professional Associations perceive such relationship as an instrument of and an ally for improving teaching, learning and development of professionalism, using the medium of educational platform.

The two bodies also see their interconnectedness as both a support for one another and a reflection of their professionalism. Both parties believe that their connection offers a number of benefits that make the association worthwhile, and at the same time, provides important benefits to individual professional disciplines, and to education as a whole.

Finally, the two bodies also perceive their connection as not just an educational platform that brings business professions and education together but also as a medium for transforming teaching and learning in the 21st Century Business Professional Schools.

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**ECONOMIC AND
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Report

EDC INVESTMENT LIMITED

PORTFOLIO REPORT— Q1 2011

Performance Summary for Q1'2011

	Return	Benchmark
Gold	4.20%	3.11%
Classic	2.95%	4.12%
Shareholders	4.72%	4.11%
Non-Profit Non-Linked	3.58%	2.63%

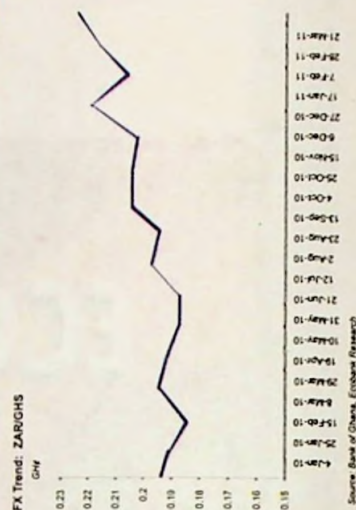
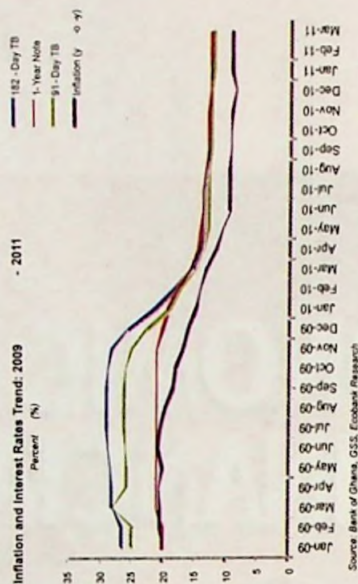
Macroeconomic and Market Update

Macroeconomic Update

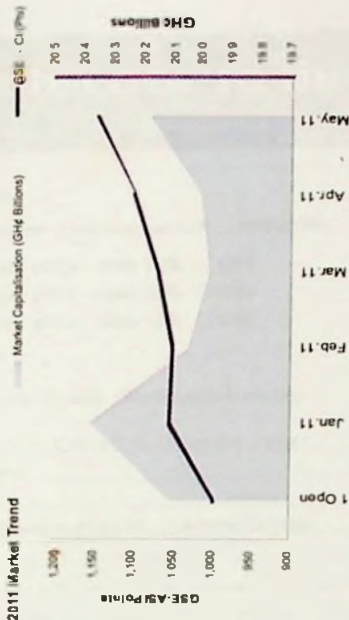
The Ghanaian economy is expected to grow by about 11% in 2011 on the back of crude oil production, favorable global commodity prices, increased investment in infrastructure, and gradual increase in credit to the private sector as well as improving business and consumer confidence. The Ghanaian Cedi is beginning to stabilize following a downward pressure on the local currency in the final quarter of 2010 and early 2011. The Cedi has been supported by the willingness of the Bank of Ghana to intervene in the foreign exchange market to stabilize the Cedi in the latter part of the first quarter of the year. The central bank's policy to intervene has been driven by strong cocoa and gold exports which enhanced foreign reserves to US\$3.55 billion, approximately four months of import cover. In line with our expectations, Ghana's downward inflationary trend bottomed out in December 2010 at 8.58%. Driven by higher fuel, transport, housing and utility prices during the first quarter of the year, inflation increased to 9.16% in February 2011 before easing to 9.13% in March 2011.

Market Update

The Ghanaian market recorded a return of 7.15% for the first quarter of the year. The performance was mainly driven by gains in PBC (+92.31%), ALW (+83.33%) and TOTAL (58.20%). PBC's price rally was attributable to good FY2010 earnings and anticipated impact of favorable cocoa prices, the revamped haulage business and investment in the sheanut sector on 2011 earnings. ALW's share price recovery was driven by the Volta Aluminium Company's resumption of operations which is expected to reduce the cost of raw materials and ignite a recovery in ALW's financial performance. TOTAL's continued share price appreciation was due to favorable FY2010 earnings and an upward adjustment of pump fuel prices which is expected to boost revenues in 2011. The most active stocks were FML, GCB, SIC, SCB, EBG and CAL. Investors exchanged an aggregate of 140.63 million shares valued at GH¢ 56.18 million. Aggregate market capitalisation closed the quarter at GH¢19.98 billion.



We expect primary market activity in the form of secondary listing and rights issues during the remaining part of the year. The planned listing of Tullow Oil is expected to boost the Ghanaian market and create further arbitrage opportunities for Pan African traders in Europe. Most Ghanaian banks are yet to meet the new minimum capital requirement of GH¢60.00 million by the close of 2012. Depending on the level of investor confidence in the market, some of the banks such as CAL, HFC and UTB are expected to initiate the process of raising further capital through rights issues or offer for subscriptions during the course of the year. Most of the banks are likely to resort to private placement if investor confidence does not rise to levels that can support successful rights issues in second half of 2011 or early 2012. The shareholders of UT Bank recently approved a proposal to raise an additional capital of up to GH¢50 million through a rights or private placement



Source: Bank of Ghana, Ecobank Research

Transactions Journal Commentary

Security	P/E	P/B	Q1'2011 Return	1-Year Price Chart
TOTAL	10.5	3.3	58.20%	
EBG	12.0	3.3	17.33%	
UNIL	19.2	7.4	14.06%	
SIC	15.5	1.1	13.95%	
SCB	20.6	6.4	10.76%	

Key Drivers Narrative

TOTAL's (+58.20%) continued share price appreciation was due to favorable FY2010 earnings which increased by 59.85% to GH¢21.05 million. This was boosted by an upward adjustment of pump fuel prices which is expected to boost revenues in 2011.

EBG (+17.33%) gradually moved up during the first quarter of the year as a result of investor expectations on 2011 financial performance. EBG announced an impressive earnings for Q1'2011 as its net profit increased by 61.62% to GH¢19.41 million.

UNIL posted a surge in profit after tax to GH¢22.81 million for FY2010 compared to GH¢0.72 million for FY2009. This was driven by improved business and consumer confidence during the period. UNIL sustained the impressive performance in Q1'2011 as net income rose by 47.46% to GH¢11.08 million.

The company led a consortium of local insurance firms to underwrite the upstream oil sector in Ghana. SIC is planning to expand into other West African countries.

SCB's share price was driven by investors positioning themselves to benefit from anticipated dividend payment following 25.59% in profit after tax to GH¢72.21 million for FY2010. Recently, SCB has been driven strongly by investors positioning themselves to benefit from an upcoming bonus issue.