High cost of living and worker’s productivity in Cross River State, Nigeria

Abstract
This study investigates high cost of living and worker’s productivity in Cross River State Nigeria. In order to attain the selected objective of the study, four study questions and four research hypotheses were formulated to direct this research. The survey research design was adopted for the study. A sample of Two hundred and twenty-five [225] was drawn from the population of Two thousand and fifty [2,250] workers employing an easy method of random sampling. The questionnaire title: High-Cost Living and Workers’ Productivity Questionnaire [HCLWPQ]. The hypotheses were tested at the 0.05 level of significance and analyzed with the help of the Pearson product moment correlation coefficient and 223 high rent, high cost of food, high transportation and workers’ health significantly relate to workers’ productivity. The findings led to the conclusion that high cost of living affect workers’ productivity degrees of liberty. It was revealed that, the high cost of food reduces workers’ productivity. High rent, high transportation rate and workers’ health are powerful factors influencing workers’ productivity and performance in their workplace. It was recommended among others that the government should reduce the cost of living by regulating market prices to cushion the effect of buying power in the Naira in Nigeria.

Keywords: Cost of Living, Productivity and Worker’s Productivity.

1. Introduction
Every human being has something to do with money; workers are not excluded from this reality. Financial issues such as not being able to pay your mortgage on time or having an unexpected car repair can reduce productivity. Counterbalance workers’ nerves by demonstrating them with a strong monetary base. Should employees’ ability to manage their finances or plan for financial security increase their productivity? Changes in physical capital, new technology, and human capital
directly contribute to an increase in labor productivity. On the off chance that work efficiency is developing, it tends to be followed back to development in one of these three regions. Actual capital is how much cash that individuals have in reserve funds and speculations. New innovations are mechanical progressions, for example, robots or sequential construction systems. Human capital represents the rise in workforce specialization and education. Assessing labour productivity enables an economy to comprehend these fundamental trends. The living in Nigeria has given workers concern and has increase their anxiety level reducing their productivity (Esther, Olabisi and Edoho, 2022).

Workers’ productivity or output is an important indicator of an economy's cyclical and short-term changes. Significant level specialists efficiency is a blend of complete result and work hours. An economy can measure the changes in output in relation to the change in labor hour by measuring worker productivity every quarter. On the off chance that the result is expanding while work hour stays static, it very well may be an indication that economy is progressing innovatively and ought to keep on doing as such. On the other hand, if labor hour increases while output stays the same, it may indicate that the economy needs to invest in human capital. Most workers are threatened by the high cost of living making it increasingly difficult for them to up with day-to-day expenses (Esther, Love and Emmanuel, 2019).

Abubaka (2015) examined relationship between recession and workers’ job performance in Kaduna State, Nigeria. The research used descriptive design. A sample of 320 workers was drawn from the ministries in the various local government areas of Kaduna State. A research instrument titled: Recession on workers’ performance Questionnaire was designed for data collection. The hypotheses were tested at 0.05 level of significance and 318 degrees of freedom. Correlation analysis was done. The finding reveals a substantial connection between high-cost living and workers’ job performance. This is to say that the cost-of-living affect workers’ productivity in any organization.

In their study, Fabayo, Posu, Obisanya [2011] they use the annual index from 1996 to 2010 to show that the cost of living fluctuated, making Nigeria one of the poorest countries in the world. The nation's economic score in 2014 was 27 out of 100, ranking it 136 out of 175 countries and placing it in the 16th percentile for perceived poverty. Poverty invariably affects workers’ workers in several ways because any worker that is not well fed or who is financially handicapped may not put, he or her best.

Peter (2014) opined that the cost of living as it influence stock discrepancies. Discrepancies arise when the physical amount item in stock differs from the amount shown in the stock records. The cause of the discrepancies should be investigated and appropriate action taken to ensure that it does not happen again. He also added that cost of living that cause the following discrepancies below

1. Supplier delivers a different quality of good than is shown in the goods received note. Since the note is used to update stock records, a discrepancy will arise, this can be avoided by ensuring that all stock and counted as it is recorded and a responsible office made to sign the document to verify the quantity.
2. The quality of goods issued to production areas is different from that shown on the material requisition note, careful counting of issue will prevent cost of living.

3. Excess stock of food items is returned of production within documented. This can be avoided by ensuring that will movements of stock is accurately documented.

4. Error caused by incorrect recording if cost of food and high transportation rate.

5. Clerical error may occur in the stock records for food items and medical expenses. Regular check by independent staff should effect mistakes corrections.

6. Error caused by incorrect recording of goods and calculation in the item welfare package.

7. Employees may filter stock, regular check and continuous stock taking can avoid this, only authorized personnel should be allowed into the stores.

8. Incorrect coding causing wrong part to be issued and/or wrong card to be altered.

9. Loss of non-use of goods recorded notes, material requisition and other appropriate documentation.

10. Shrinkage, evaporation, losses due to breaking bulk in the area.

Osuagwu (2012) carried out research on workers’ cost of living and their job performance. To assess the cost of living and how workers can effectively carry out their job in Yola, the state capital of Adamawa living and job performance questionnaire (CIJQ) was used for data collection. Two hundred and fifty (250) respondents of the people in the study area were used. Both males and females working in the study area were sampled for the study using simple random sampling.

The data was analysed using Pearson Product Moment Correlation Coefficient and independent t - test to test the five hypotheses formulation formulated for the study. Findings of this study showed that there is a significant influence of cost-of-living and worker’s job performance in an organization after when the hypothesis was tested at 0.05 level of significance and 248 degrees of freedom. The result shows that cost of living has a great impact on workers’ job performance. It was concluded that cost of living affect workers’ productivity in organization.

Another research work conducted by Owalabi 2017 investigated the impact of economic recession on workers’ productivity. The study looked at the impact of economic recession on workers’ productivity in Ibadan Oyo State. The descriptive research method was used. The sample of 285 respondents were administered with questionnaires for data collection. The study instrument entitled ‘Economic Recession and Workers’ Productivity Questionnaires (ERAWPQ). The finding showed that, there is Positive impact of economic recession on workers’ productivity. The hypotheses also revealed that 4 of the independent variable were very effective which one (1) were not very effective. The study therefore recommended that government should try to control economic recession in the country. It was concluded that economic recession affects workers’ productivity in organization.

Positive growth has played a crucial role in maintaining country competitiveness and long-term economic growth while also controlling high cost of living. Therefore, inflation-
targeting central banks and government aiming to improve the competitiveness of their economy closely follow movements in labour productivity and the affecting factors of labour productivity. From the macroeconomics perspective, changes in productivity have been associated with movements in real wages and cost of living in the theoretical and empirical literature.

In this framework, an analysis of the interrelationship among productivity, real wages and inflation is critical for authorities who plan structural reforms to enhance productivity and for policy makers who aim to control cost of living.

First, efficiency wage theory argues that causality runs from real wages to productivity. Second, marginal productivity theory and bargaining theory state that causality runs from productivity to real wages. There are posted two theoretical views that attempt to explain the causal ordering between productivity and cost of living. The basic theoretical view suggests that causality runs from productivity to high cost of living. The alternative theoretical view argues that causality flows from cost of living to productivity.

On the empirical side, there are many studies analyzing the relationship between productivity and real wages. Similarly, several studies have analyzed the linkage between productivity and cost of living (Perry, 2012).

Elgin and Kuzubas (2012) analyzed the relationship using a comprehensive set of cointegration techniques for the Australian manufacturing sector. These researchers focused on both the long-run relationship and the causal links.

Overall results from the students focusing on developed countries show that there is a positive and strong relationship between productivity and real wages, while there is a negative relationship between productivity and cost of living. Nonetheless, there is no strong consensus regarding the direction of causality among productivity, real wages and cost of living in the empirical literature.

1.1 Statement of the problem

The level of workers’ productivity, effectiveness, efficiency and attitude to work in recent times is quite disturbing. The economic hardship faced by most workers particularly government workers is biting hard on them. What could be responsible for this workers’ unproductivity? The level of workers input in most organizations in recent time is also worrisome. Several factors, for example, abilities, preparing, inspiration, commitment, government assistance, the board approaches, incidental advantages, pay and bundles, advancement and workers’ health may be responsible for the poor performance of workers’ that has decreased productivity.

Performance is the ultimate expectation of every organization and the reason for evaluating employee performance.

Workers’ productivity is concerned with the work achieved, the execution of tasks, competence needed to perform these activities.

From each and every person, group, team, department, and organization, owing to the current financial difficulties; dangerous and quickly changing climate is a challenging for everybody to make due, settle, develop and succeed in their presentation. Workers who are supposed to perform exceptionally may be constraint by certain workplace factors or
economics pressures. The questions this study intends to answer is that does economic recession affect workers’ productivity? Do high cost of living, job insecurity, high inflation rates and unemployment affects workers’ productivity? It depends on this issue that the specialist means to investigate the impact of high cost of livings on worker’s productivity in the State of Cross River, Nigeria.

1.2 Purpose of the Study

The principal motivation behind this study was to look into the high cost of living and workers’ productivity in Cross River State, Nigeria. Specifically, the study sought to:

1. Examine whether rent relate with workers’ productivity.
2. Determine whether high cost of food relate with workers’ productivity.
3. Examine whether high transportation relate with workers’ productivity.
4. Ascertain whether worker’s health relate with workers’ productivity.

1.3 Research Questions

Below are the research questions stated to direct the research;

1. To what extend does high rent relate with workers’ productivity?
2. To what extend does high cost of food relate with workers’ productivity?
3. To what extend does transportation relate with workers’ productivity
4. To what extend does worker’s health relates with workers’ productivity?

1.4 Statement of Hypotheses

Below are the research hypotheses that were stated to guide the study;

1. There is no significant relationship between high rent and workers’ productivity.
2. There is no significant relationship between high cost if food and workers’ productivity.
3. There is no significant relationship between transportation and workers’ productivity.
4. There is no significant between worker’s health and workers’ productivity.

2. Methodology

The researcher adopted for this research a survey research design. The method involves the gathering of data for the purpose of providing a precise and impartial description of existing phenomena. It can likewise be depicted study plan as the plan in which it is coordinated towards deciding the idea of a circumstance on it exists at the hour of examination.

He went on to describe it as a type of research that selects and examines samples chosen from the interrelationship of sociological variables and then studies both large and small populations. As a result, opinion and attitude studies greatly benefit from it. Questionnaires and interviews make up the majority of its data collection methods. It is cost-effective because the study of the samples will allow for inferences from the general population that might be too costly to study as a whole.

The area of the study is Cross River State which is one of the states in Nigeria and in South-south Geo-political Zone, Nigeria.
The population of this research consisted all the workers in Cross River State. The sample technique is preferred here because the population is not large enough for sample to drawn at random. The researcher positively gets the required sample size from the population.

The sample of the study was made up of two hundred and twenty-five (225) workers drawn from Cross River State. The sample represents 10% of the population under study. A designed questionnaire by the researcher was used as the instrument used for data collection.

The questionnaire titled: High cost of living and workers’ productivity questionnaire (HCL) consists of two sections A and B. Section A had information on the respondents” demographic variables while section B had 25 items covering the independent variables. The items were structured on a four like point scale basic on strongly agree (SA), agree (A), disagree (D) and strongly disagree (SD). The questionnaire was designed such that the respondents’ response appropriately to items as it applies to them.

Validity of an instrument refers to how much an instrument measure what it is planned to quantify or the degree to which time and precise proportion of a quality is plausible.

Reliability refers to the degree to which an instrument measures what is done consistently. Thirty (30) workers from the population that was not a part of the study were used in a trial test to see if the questionnaire’s reliability was a factor. Tried retest technique for unwavering quality gauge of the instrument was used.

In this case, the researcher gave the same group of respondents the questionnaire to fill out, and two weeks later, she gave them the same questionnaire to fill out again. There was a correlation between the administration sets' scores. The instrument's reliability over time is provided by this method.

The primary instrument for data collection was the questionnaire. The researcher moved the questionnaire from one office to another. The exercise and the importance of providing objective responses to the questions were explained to the respondents. In addition, they were informed that their responses to the questions would be treated in the strictest confidence and would only be used for the research. After the survey codes/scores were allot to every one of the things for simplicity of information readiness.

The following is how a coding schedule is made: Strongly agree (SA) – 4, Agree (A) – 3, Disagree (D) – 2 then Strongly disagree (SD) – 1.

Data analysis method here depended on every hypothesis. Every hypothesis of the research was re-stated here and the variables in it were identified. The statistical techniques for testing are given. All the hypotheses were tested at 0.05 level of importance.

3. Presentation of Result

The study hinged on high cost of living and productivity of workers in Cross River State, Nigeria. The independent variable of this study was high-cost living while the dependent variable was workers’ productivity. the sub-variables were High rent, High cost of food, High transportation and workers’ health.

The respondents’ demographic information were sex, age, qualification, marital status and employment status. The data obtained were analyzed and presented accordingly in the following section.
The Pearson product correlation coefficient (r) was used to evaluate the four hypotheses at the 0.05 level of significance and with 98 degrees of freedom.

3.1 Result

Hypothesis one

There is no significant correlation between workers' productivity and rat levels. This speculation was examined utilizing Pearson item connection coefficient (r) and tried at 0.05 degree of importance and 223 levels of opportunity. The outcome is introduced in table 1 underneath:

Table: 1. The relationship between worker productivity and rat productivity was examined using the Pearson product moment correlation coefficient.

<table>
<thead>
<tr>
<th>Variables</th>
<th>X</th>
<th>SD</th>
<th>r-cal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>High rent</td>
<td>17.895</td>
<td>5.572</td>
<td>0.761*</td>
</tr>
<tr>
<td>Workers’ productivity</td>
<td>18.066</td>
<td>5.963</td>
<td></td>
</tr>
<tr>
<td>Significant at 0.95, df = 98,</td>
<td>Critical r = 0.197</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At the 0.05 level of significance and 223 degrees of freedom, the aforementioned result demonstrates that the calculated r-value of 0.761* was greater than the critical r-value of 0.197. The null hypothesis was rejected as a result of this, and it was concluded that there was a significant connection between workers' productivity and high rent.

Hypothesis two

There is no significant connection between significant expense of food laborers' efficiency. Using Pearson product correlation (r), this hypothesis was examined with a 0.05 level of significance and 223 degrees of freedom. Table 2 displays the outcome.

Table: 2. Parson product moment correlation coefficient analysis of the relationship between student-high cost of food and workers’ productivity

<table>
<thead>
<tr>
<th>Variables</th>
<th>X</th>
<th>SD</th>
<th>r-cal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>High cost of food</td>
<td>18.974</td>
<td>5.107</td>
<td>0.843*</td>
</tr>
<tr>
<td>Workers’ productivity</td>
<td>18.066</td>
<td>5.963</td>
<td></td>
</tr>
<tr>
<td>Significant at 0.05, df = 223,</td>
<td>Critical r = 0.139</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There is no significant connection between high transportation rate and workers' productivity. The result of this hypothesis was presented in Table 3 below. This hypothesis was analyzed with the help of the Pearson product correlation coefficient (r), and the significance level was set at 0.05, and 223 degrees of freedom.

Table: 3. Parson product moment correlation coefficient analysis of the connection between student-high transportation rate and workers’ productivity

<table>
<thead>
<tr>
<th>Variables</th>
<th>X</th>
<th>SD</th>
<th>r-cal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>High transportation</td>
<td>17.586</td>
<td>4.567</td>
<td>0.756*</td>
</tr>
<tr>
<td>Workers’ productivity</td>
<td>18.066</td>
<td>4.963</td>
<td></td>
</tr>
<tr>
<td>Significant at 0.05, df = 223,</td>
<td>Critical r = 0.139</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At the 0.05 level of significance and with 223 degrees of freedom, the aforementioned result demonstrates that the calculated r-value of 0.756* was greater than the critical r-value of 0.139. By this outcome, the invalid speculation was dismissed. This suggests that workers' productivity is significantly impacted by the high cost of transportation.

Hypothesis four
There is no significant relationship between workers’ health and workers’ productivity. The result of this hypothesis was presented in Table 4 below. This hypothesis was analyzed using Pearson product correlation coefficient (r) and tested at 0.05 level of significance and 223 degrees of freedom.

**Table 4. Parson product moment correlation coefficient analysis of the relationship between workers’ health and workers’ productivity**

<table>
<thead>
<tr>
<th>Variables</th>
<th>X</th>
<th>SD</th>
<th>r-cal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ health</td>
<td>17.586</td>
<td>4.567</td>
<td>0.756*</td>
</tr>
<tr>
<td>Workers’ productivity</td>
<td>18.066</td>
<td>4.963</td>
<td></td>
</tr>
</tbody>
</table>

At the 0.05 level of significance and with 223 degrees of freedom, the aforementioned result demonstrates that the calculated r-value of 0.756* was greater than the critical r-value of 0.139. By this outcome, the invalid speculation was dismissed and it was reasoned that laborers wellbeing fundamentally relates with worker’s productivity.

**3.2 Discussion of findings**

In this section, the discussion of the findings that emerge from the analysis are presented. The discussion is presented hypothesis by hypothesis. There is a significant relationship between high rent and workers’ productivity.

This finding agrees with the findings of Abubakar (2015) who examined the relationship between high cost of living and workers’ job performance in Kaduna State, Nigeria. The finding reveals a significant relationship between high rent and workers’ job performance. This is to say that the cost-of-living effect workers’ productivity in any organization.

Similarly, Osuagwu (2012) investigated workers’ cost of living and their job performance in Yola Adamawa State and the result showed that cost of living influence workers’ job performance. It was concluded that high cost of living affect workers’ productivity in organizations.

In their study, Fabayo, Posu, and Obisanya (2011) use the annual economic index from 1996 to 2010 to show that Nigeria is one of the poorest countries in the world due to its fluctuating cost of living.

According to the same, the country received an economic score of 27 out of 100 in 2014, placing it within the 16th percentile for perceived poverty invariable affect workers’ productivity in several ways because any worker that is not well fed or who is financially handicapped may not put in his/her best.

There is a significant relationship between high cost of food and workers’ productivity. This result is in line with the finding of James (2013) who carried out a study to investigate the impact of high cost of food employee productivity in Enugu State. The result shows a significant impact of high cost of food on employee productivity.

Onyema (2015) investigated the impact of high cost of food on workers’ productivity in Owerri, Imo State. From the 3850 workers, a sample of 400 workers was chosen at random. The high cost of food and workers’ productivity Questionnaire (JSWPQ) was used to collect the data. It had 30 items on a four-point Likert scale of strongly agree, agree, disagree, and strongly disagree. The examination was conveyed our utilizing relationship investigation. The
speculations were tried at 0.05 degree of importance and 398 level of opportunity. It was revealed workers’ high cost of food influence their productivity.

There result shows a significant relationship between high transportation rate and workers’ productivity. This result is confirmed by the findings of Elgin and Kububas (2012) who analyzed the relationship involving a thorough arrangement of cointegration methods for the Australian assembling area. Both the casual and long-term connections were the primary focus of these studies. Overall, the studies focusing on developed nations reveal that productivity and real wages have a strong and positive relationship, while productivity and inflation have a negative relationship. Regardless, there is serious areas of strength for no in regards to the heading of setback among efficiency genuine wages and expansion in the empirical literature.

Zekeriya (2018) examined the connections between productivity, inflation, and real wages in the Turkish manufacturing industry from 1988:1 to 2012:2. Keeping that in mind, the paper utilizes both co-joining examination and a granger causality test. Information has a greater impact on labor productivity than do real wages, according to this study.

In addition, the granger causality test demonstrates that information and labor productivity are strongly correlated. suggesting that labor productivity should be followed by policy makers that target inflation. This test recommends that there is no easygoing connection running from efficiency to genuine wages in the Turkish assembling industry. Lower bargaining power and structural issues, such as high unemployment, a significant wage tax burden, and a large share of the information sector, account for the absence of a link.

There is a significant relationship between workers’ health and workers’ productivity. This is in tandem with the discovery of Ekpenyong (2016) who examined the impact of workers’ health on workers’ productivity in Calabar Metropolis. Cross River State- Nigeria. The result shows a significant impact of unemployment on workers’ productivity.

The result in Table 2 indicates that the calculated r – value of 0.843* was greater than the critical r – value of 0.139 at 0.05 level of significance and 223 degrees of freedom. By this result, the null hypothesis was rejected and the conclusion was that high cost of food and workers’ productivity. This is in consonant with Peter (2014) who opined that the cost of living as it influences stock discrepancies.

Discrepancies arise when the physical amount item in stock differs from the amount shown in the stock records. The cause of the discrepancies should be investigated and appropriate action taken to ensure that it does not happen again.

He also added that cost of living that cause the following discrepancies below

1. Supplier delivers a different quality of good than is shown in the goods received note. Since the note is used to update stock records, a discrepancy will arise, this can be avoided by ensuring that all stock and counted as it is recorded and a responsible office made to sign the document to verify the quantity.
2. The quality of goods issued to production areas is different from that shown on the material requisition note,
careful counting of issue will prevent cost of living.
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4. Error caused by incorrect recording if cost of food and high transportation rate.
5. Clerical error may occur in the stock records for food items and medical expenses. Regular check by independent staff should effect correct the mistakes.
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7. Employees may filter stock, regular check and continuous stock taking can avoid this, only authorized personnel should be allowed into the stores.
8. Incorrect coding causing wrong part to be issued and/or wrong card to be altered.
9. Loss of non-use of goods recorded notes, material requisition and other appropriate documentation.
10. Shrinkage, evaporation, losses due to breaking bulk in the area.

Adewunmi (2015) investigated the relationship between workers’ health and workers’ productivity Ikeja Metropolis in Lagos State. The hypothesis formulated was that there is no statistical impact of broadcast media on combating corruption. The study employed survey research design.

A sample of 370 respondents was drawn from the population using stratified and simple random techniques. Pearson product moment correlation coefficient was the statistical tool used in data analysis. The hypothesis was tested at 0.05 level of significance and 368 degrees of freedom.

The finding reveals that there exists a statistically significant relationship between workers’ health and workers’ productivity.

3.4 Conclusion

In conclusion, economic recession significantly relates to workers’ productivity. The high cost of living reduces workers’ productivity. Insecurity in the work place is a powerful factor influencing workers’ productivity and performance in their workplace. High inflation rate and high rate of unemployment determines to workers’ productivity since the available manpower is over stretched in the office.

3.5 Recommendations

The following recommendations were stated following the outcome of the findings;

i. The government should reduce the cost of living by regulating market prices to cushion the effect of buying power of the Naira.

ii. The government and all employers of labour should strengthen their job policies that will favors workers even upon retirement.

iii. The government should control the importation of foreign goods in order to reduce the high inflation rate in the country.

iv. The government should create more jobs particularly in the agricultural sector reduce youth unemployment.

3.6 References


