IDEOLOGY OF MARKETING PLANNING AND ECONOMIC DEVELOPMENT:
PARADIGM OF ENHANCING NIGERIA STEEL COMPANY'S PRODUCTIVITY

OGAH, AROME VICTOR, OLOWE. TEMITOPE SUNDAY & MEDAYESE, OLANIKE OLAYINKA
Department of Marketing, Federal Polytechnic, Ado-Ekiti, Ekiti State

Abstract
The study examined the effect of marketing planning on economic development: Paradigm of Nigeria steel company’s productivity. This study lay emphasis on Ajaokuta steel company, Kogi State. The specific objectives of the study were to examine the effect of personal management, availability of raw material and Nigeria stakeholders on Ajaokuta steel company productivity. The study adopted survey research design. Data used in this study were collected through primary and secondary sources. The population of the study was 257 staff comprised of Management and administrative staff of Ajaokuta steel company, Stratified sampling technique was used to select sample of 135 respondents for the study. Content validity was used to determine the validity of the instrument by giving to research experts who modified and made the necessary correction to measure the instrument 5-point likert scale option structured questionnaire was used. Content validity was used to determine the validity of the instrument by giving to research experts who modified and made the necessary correction to measure the instrument. Simple linear Regression Analyses was used to test the hypotheses. Three hypotheses were tested in line with the objectives of the study and it was revealed that there was significant relationship between personal management, availability of raw material and Nigeria stakeholder on Ajaokuta steel company productivity. The study suggested some recommendations as follows: The federal government should develop and ameliorate the mode of improving personnel management to enhance Ajaokuta steel company productivity, Nigerian stakeholder should be focus in
exhibiting true democracy in governance and shun tribal sentiment to improve Ajaokuta steel company productivity.

**Keywords:** Marketing planning, Economic development, Steel Company, Productivity, Governance

**Introduction**

Every country craves for improvement on their economic development to enable them compete favourably with other top industrialized countries. The best technique to adopt for effective utilization of available resources to enhance economic development is to embrace marketing planning. Marketing is a profession that creates satisfaction for both individual and entire society in a country. This segment of marketing profession can be utilized by federal government to expand Ajaokuta steel company in Kogi State, Nigeria. Marketing planning involves the preparation of policies, programmes, budgets and further more carrying out the various activities and functions of marketing to attain the marketing goals (Shreyasi, 2013). Marketing planning has been defined as all rational, incremental and intuitive processes that guide a firm’s marketing to its future (Saunders, Saker, and Smith, 1996). Marketing planning is the procedure of anticipating future events and conditions to determine courses of action needed to actualized marketing scopes, cause the action of planning to be complex, due to its own nature, including continuous procedure of thinking about the future, various means of determining the desired future situations and the assessment of various courses of action to be followed so that these situations are achieved (Grinberg & Luce, 2000; Cezarino & Campomar, 2006; Martin, 2009). It leads to additional appropriate resource allocations and enhanced organizational performance. These marketing context gears towards actualizing propose goals through utilization of limited available resources to boost economic development. Marketing planning play vital role in enhancing economic development due to its measure in assisting both individual and government to achieve their desire goal. It is the desire of every nation to improve its economic development to boost their status among other industrialized nation in the world. Economic development is a process where low income national economies are transformed into modern industrial economies. It involves qualitative and quantitative improvements in a country’s economy. Economic
development requires balance: enhanced education requires complementary efforts to support a high profile economy that will provide jobs. Laying emphasis on education without supporting the development of industry lead to brain drain as skilled labor migrates to opportunity (Beine, Docquier & Rapoport, 2001). Fitzgerald and Leigh (2002) posit that economic development preserves and raises the community’s standard of living via a process of human and physical infrastructure development depended on principles of equity and sustainability.

This study tend sensitize federal government on the need to concentrate on Ajaokuta steel company, an indigenous Nigerian company located in Kogi state in order to contribute and improve Nigeria economic development.

**Statement of the problem**

Nigeria is one of the rich country in west Africa endowed with numerous mineral resources among prominent one is iron and steel which is the backbone of this top developed countries like United state, Russia, Japan, south Korean etc. but federal government fail to be active in upgrading Ajaokuta steel company to boost economic development despite their several pronouncement and visitation by stakeholders. Iron and steel is very important for the growth of any modern society. Iron and steel plays a major role in the industrialization and infrastructural development. Though, Nigeria has the potentials of becoming a regional economy in the West African sub-region, but the economy of the country cannot be strong and vibrant without growth in its iron and steel sector or without the use of iron and steel in the manufacturing sector (Agbu, 2007). This study tends to examine the effectiveness of marketing planning with the proof of findings in assisting government to develop and expand Ajaokuta Company with limited available resources in the country.

Moreover, lack of sensitization and awareness of marketing planning hamper the progress of Ajaokuta steel company Agbu (1992) reported those factors that limit successive operation of iron and steel industry in Nigeria are many including inadequate funding, poor planning an implementation and political considerations rather than economic and technical considerations that influenced the location of the government-owned iron and steel companies. Nigeria lost a golden opportunity to employ a lot of her citizens by not completing the Ajaokuta steel project. If the phase 1 of the project was
completely installed and operational, the multiplier effect would have been enormous including direct employment of 10,000 workers at the plant, 20,000 in the raw materials industries and 30,000 workers in downstream industries utilizing iron and steel products (Mohammed, 2002). Application of marketing planning has a great contribution to ameliorate this problem.

**Objectives of the study**

1) To examine the effect of personal management on Ajaokuta steel company productivity.
2) To examine the effect of availability of raw material on Ajaokuta steel company productivity.
3) To examine the effect of Nigeria stakeholders on Ajaokuta steel company productivity.

**Conceptual framework**

**Nature of marketing planning**
Marketing plays a key component in the strategy formulation and implementation, because the strategic management has to deal constantly with an ever changing environment in which, it stands out two entities and forces: the market and the competition. This compels the organizations, in competitive environments, characterized by higher offers than demand, to guide their actions through a philosophy of market orientation (Hartline & Ferrell, 1996; Lambin et al., 2007. Hooley et al, 2011; Luciano, Adriana, Guilherme, & Marcos 2014).
Marketing planning (and more generally business planning) can be considered as a technology, a set of techniques and activities, that assists an organization in achieving an appropriate alignment of external environment and internal capabilities in order to achieve a desired outcome. (Jain, 2000; McDonald, 1999; Cravens, 2000). Marketing planning is a behavioural phenomenon since it consists of the adoption of the technology. Marketing planning advocates have argued that adoption of marketing planning technology provides for decision making that is more comprehensive, rational and objective, and that this leads to more appropriate resource allocations and improved organizational performance (Sue, Richard and Robert .2003)

**Overview Ajaokuta steel company**
The Ajaokuta Steel company is located in Ajaokuta state, The company design was based on the blast furnace route to iron production with initial capacity of 1.3 million tons of liquid steel per annum with built – in capacity for
possible future expansion to 2.5 million tons per annum in the first phase and up to 5.2 million tons per annum in the second phase. By the initial costing, the first phase was estimated to cost 2.5 billion naira. The present phase of the company and the amount already sunk into the Ajaokuta Steel Project or Company are any body's guess.

The Ajaokuta Steel Company, the engine of industrial emancipation of Nigeria consists of the following process units:

- Raw materials preparation unit (including the sintering plant)
- Coke-oven and by product plant
- Iron making unit
- Steel making unit
- Rolling mill
- General Auxiliary unit

Ajaokuta Steel Company was designed and specified in Russian System (GOSH) yet in 2003 an American based Company found its way in Ajaokuta to run the company with disastrous consequencies.

Blast furnace operational route requires continuous operation for at least 5 years and this presupposes stock piles of raw materials to support this period of production.

The basic raw materials in tonnes required for the blast furnace at Ajaokuta for a year were as follows:

- Iron ore (52 per iron content): 2.2x10^6
- Coking coal: 1.2x10^6
- Limestone and dolomite: 660,000
- Refractory clay: 63,000

Ajaokuta projected product mix:

This consisted of Rounds, ribbed bars, Angles, plates, strips, channels, Beams and Tees,

Billets (1000x100) mm2

Projected Ajaokuta blast furnace slag Applications:

Slag from the Blast Furnace was to be used in road surfacing, aggregate for concrete, fertilizer for farmers, rock wool raw materials, cement and others.
All these benefits from the Ajaokuta Steel Company are all fairy tales now. (Obikwelu and Nebo 2012).

**Economics Development and Ajaokuta Steel Company**

Economic development is a complex phenomenon that involves a variety of social and economic processes. Economic development is increasingly relevant in advanced economies. All regions are vulnerable to economic restructuring and need to consider how to adapt to the changing economy. Places once prosperous have been humbled by international competition and struggle to redefine themselves (Feldman & Lanahan, 2010). Economic development can also be referred to as the quantitative and qualitative changes in the economy. Economic development is the sustained increase in income of all members of society so as to be free from material want. One aspect of that challenge is to achieve development in an interdependent world, that is a world in which goods, services, people, capital and knowledge flow relatively easily across national borders with large net benefits to economies (Trevor Manuel, 2 December 2004, University of Sussex cited in Wyngaard, 2006). According to Olajide (2004) Economic development is the process whereby the real per capita income increases over a long period of time. Economic development can also be referred to the sustained, concerted actions of policy makers and communities that promote the standard of living and economic health of a specific area. It lead to the development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy and other initiatives (Satope, and Akanbi 2014).

**Conceptual model**

**Conceptual model of marketing planning and Ajaokuta steel company productivity**

Conceptual model of marketing planning and Ajaokuta steel company productivity is the model that illustrate the significant of marketing planning as an instrument that enhances Ajaokuta steel company productivity towards economic development in Nigeria. Marketing planning involve considering alternative objectives or different options for implementing strategies and tactics and for controlling this implementation to achieve the chosen objectives. This segment of marketing can contribute positively by
encouraging Ajaokuta steel company management to cope with increasing turbulence, environmental complexity, more intense competitive pressures, and the sheer speed of technological change. With the aid of the study findings, marketing planning can transform Ajaokuta steel company toward economic development. It is shown below:

![Conceptual Model of Marketing Planning and Ajaokuta Steel Company Productivity](image)

**Figure 1:** Conceptual model of marketing planning and Ajaokuta steel company productivity

**Source:** Researcher

**Methodology**

The study adopted survey research design. Data used in this study were collected through primary and secondary sources. The population of the study was 257 staff comprises of Management and administrative staff of Ajaokuta steel company, Stratified sampling technique was used to select sample of 135 respondents for the study. Content validity was used to determine the validity of the instrument by giving to research experts who modified and made the necessary correction to measure the instrument 5-point likert scale option structured questionnaire was used. Likert scale was adopted because it measures the intensity or degree of agreement by the respondent to a statement that describes a situation, phenomenon, item or a treatment (Asika, 2002). The value of the test of reliability was 0.87 which was conducted using test-retest reliability method which indicated that there is internal consistency of the instrument. Simple linear Regression Analyses was used to test the hypotheses. Through Statistical Package for Social Sciences (SPSS) version 23.
Analyses and result

One hundred and thirty five (135) questionnaires were administered and one hundred and thirty (130) questionnaires were retrieved and used for the study.

Findings show the distribution of respondents on the bases of sex, age and qualification. The analysis of distribution of sex shows that 87 were male representing 66.9% and 43 were female representing 33.1%. The analyses of distribution of age of respondents shows that, out of 130, respondents, 34 falls between 25 – 34 years, 52 falls between 35- 44 and 44 falls within 45years and above. Analyses of distribution of educational qualifications of respondents show that 46 obtain ND, 68 obtain B.Sc/HND, and 16 were holder of M.sc/MA/other.

Research hypothesis One

\[ H_0 : \text{Personnel management has significant effect on Ajaokuta steel company productivity} \]

\[ H_1 : \text{Personnel management has no significant effect on Ajaokuta steel company productivity} \]

Table 1 : Regression Model Summary for H1

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.783</td>
<td>.613</td>
<td>.599</td>
<td>13.90826</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Personnel management

b. Dependent Variable: Ajaokuta steel company productivity

Source: SPSS Version 23

Table 2: ANOVA for H1

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>8577.152</td>
<td>1</td>
<td>8577.152</td>
<td>44.340</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>5416.314</td>
<td>28</td>
<td>193.440</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13993.467</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Ajaokuta steel company productivity

b. Predictors: (Constant), Personnel management

Source: SPSS Version 23
Decision Rule
According to Table 2, the overall result for the regression model was significant (p = 0.000 < 0.05), thus results indicate support for the first hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that personnel management has significant effect on Ajaokuta steel company productivity. The result considered that Personnel management can be used to predict Ajaokuta steel company productivity; it means that if Personnel management is increasing the Ajaokuta steel company productivity may also improve. Depending on the R Square value of (0.613), Personnel management could explain 61% variation in Ajaokuta steel company productivity. The analysis of variance (ANOVA) calculated F test was 44.340 and an associated significance p value of 0.000 (p value < 0.05) was significant. The implication was that the simple linear regression was good fit for the data.

Research hypothesis Two
H₀: Availability of raw material has significant effect on Ajaokuta steel company productivity
H₁: Availability of raw material has no significant effect on Ajaokuta steel company productivity

<table>
<thead>
<tr>
<th>Table 3: Regression Model Summary for H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant) : Availability of raw material
b. Dependent Variable: Ajaokuta steel company productivity

Source: SPSS Version 23

<table>
<thead>
<tr>
<th>Table 4: ANOVA for H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
a. Dependent Variable: Ajaokuta steel company productivity
b. Predictors: (Constant), Availability of raw material

**Source:** SPSS Version 23

**Decision Rule**
According to Table 3, the overall result for the regression model was significant ($p = 0.000 < 0.05$), thus results indicate support for the second hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that Availability of raw material has significant effect on Ajaokuta steel company productivity. The result considered that Availability of raw material can be used to predict effectiveness of Ajaokuta steel company productivity; it means that if Availability of raw material is increasing the Ajaokuta steel company productivity may also improve. Depending on the R Square value of (0.648), Availability of raw material could explain 6.5% variation in Ajaokuta steel company productivity. The analysis of variance (ANOVA) calculated F test was 51.524 and an associated significance p value of 0.000 ($p value < 0.05$) was significant. The implication was that the simple linear regression was good fit for the data.

**Research hypothesis three**

$H_0$: Nigerian stakeholders has significant effect on Ajaokuta steel company productivity

$H_1$: Nigerian stakeholders has no significant effect on Ajaokuta steel company productivity

**Table 5 : Regression Model Summary for H3**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.807$^a$</td>
<td>.651</td>
<td>.638</td>
<td>13.10945</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant) : Nigerian stakeholders

b. Dependent Variable: Ajaokuta steel company productivity

**Source:** SPSS Version 23

**Table 4 : ANOVA for H3**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>8960.952</td>
<td>1</td>
<td>8960.952</td>
<td>52.142</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>4812.014</td>
<td>28</td>
<td>171.858</td>
<td></td>
</tr>
</tbody>
</table>

422 | Page
<table>
<thead>
<tr>
<th>Total</th>
<th>13772.967</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Dependent Variable: Ajaokuta steel company productivity</td>
<td></td>
</tr>
<tr>
<td>b. Predictors: (Constant), Nigerian stakeholders</td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Version 23

**Decision Rule**

According to Table 3, the overall result for the regression model was significant \((p = 0.000 < 0.05)\), thus results indicate support for the second hypothesis. We reject null hypothesis and accept the alternative hypothesis which state that Nigerian stakeholders has significant effect on Ajaokuta steel company productivity. The result considered that Nigerian stakeholders can be used to predict effectiveness of Ajaokuta steel company productivity, it means that if Nigerian stakeholder are improving the Ajaokuta steel company productivity may also improve. Depending on the R Square value of \((0.651)\), Nigerian stakeholders could explain 6.5\% variation in Nigerian democracy and politics. The analysis of variance (ANOVA) calculated F test was 52.142 and an associated significance p value of 0.000 \((p \text{ value} < 0.05)\) was significant. The implication was that the simple linear regression was good fit for the data.

**Discussion of findings**

The first hypothesis testifies that, personnel management has significant effect on Ajaokuta steel company productivity. Personnel managers are involving in optimizing the performance of human resources while the activities involved in supplying human resources include manpower, planning and procurement, those involved in the optimizing of the performance of human resources including training and development appraisal and motivation. Ohadinma and Uwaoma (2002) posit that personnel management as the directing, coordinating and controlling of all the activities responsible for supplying required human resources.

The second hypothesis signifies that availability of raw material has significant effect on Ajaokuta steel company productivity. The importance of raw materials is obvious to those stakeholders that operate upstream, extracting, refining, and processing material into products; such stakeholders are intimately aware of the vagaries of material supply and prices. However, it is critical that all stakeholders become aware of the potential impact of raw material supplies on their business. If those raw materials become difficult to
acquire, market forces may shift demand to other goods and therefore other supply chains. Irrespective of one's specific business (Alonso, Frank, Gregory, & Kirchain, 2007)

The third hypothesis signifies that that Nigerian stakeholders has significant effect on Ajaokuta steel company productivity. Freeman and Evan (1990) describe stakeholders as parties or interest groups that extend services or resources to an organization or have stake in contemplated actions planned to be taken by an organization. Stakeholders play major roles in the industry and their buy-in and cooperation on any project in the sector are part of the critical success factors.

Conclusion
The findings show that personnel management, availability of raw material and Nigerian stakeholders has significant effect on Ajaokuta steel company productivity. Marketing planning is necessary because of the nature of the business environment. Marketing planning is essential when we consider the increasingly competitive and dynamic environment. Most companies today are experiencing difficulties precisely because they lack of marketing planning and there is a growing realization that survival and success in the future will only come from patient and meticulous planning and market preparation. This segment marketing is the key factor in influencing business performance.

Recommendations
From the above discussion and findings, the study attracts the following recommendations:
1) The federal government should develop and ameliorate the mode of improving personnel management to enhance Ajaokuta steel company productivity.
2) Nigerian stakeholder should be focus in exhibiting true democracy in governance and shun tribal sentiment to improve Ajaokuta steel company productivity.
3) Government should try their effort to source for raw material with aid of expert and specialist in steel exploitation to improve Ajaokuta steel company productivity.
4) Government should increase the Ajaokuta steel company financial budget to enhance technological advancement.
References


