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## THE IMPACT OF AUDIT QUALITY ON ORGANIZATIONAL EFFECTIVENESS OF LISTED BANKS IN NIGERIA

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### ABSTRACT

*The objective of this study is to examine impact of audit quality on the organizational effectiveness of listed banks in Nigeria. Regression analysis was used to test the impact of audit quality on the organizational effectiveness of listed banks in Nigeria . The findings of this study reveal that all exemplary variables (Auditor Independence (AID), Audit Report (ADR) and Joint Audit (JOA)) have positive impacts on organizational effectiveness (OE) but are insignificant due to some reasons in Nigerian financial institutions. On these premises the study recommended that auditors should be monitored and there should be adequate regulatory provision to encourage the independence of the audit firms. The management and the regulatory agencies should emphasize on the audit report as this appears to be positive insignificant in improving organizational effectiveness. Regulatory agencies around the world should emphasize on joint audit as it appears positive insignificance in providing organizational effectiveness in the listed banks in Nigeria.*

**KEYWORDS:** Auditor Independence; Audit Report; Joint Audit; Organizational Effectiveness

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### 1.1 INTRODUCTION

A system of auditing is a critical component of organizational effectiveness and foundation for the safe and sound operation of organizations. However, ineffective auditing results in ineffective programs and losses (Goodwin & Kent, 2006). There have been massive frauds and unethical practices within and among a number of organizations both in emergent and developed countries (including Nigeria) (Quadri, 2010; Barzan, 2018). Quadri (2010) and Mohammed (2017) posited that the insides trading, massive and prevalent frauds, mandatory retirement of CEOs of banks, due to corrupt practices and inefficient rubber-stamped board, have combined to signal failure of existing corporate governance structure. In addition, the Companies and Allied Matter Act (CAMA) 2004 which was enacted to ensure that the relationship among the board, shareholders and management including other stakeholders is balanced for healthy competition has not lived up to expectation both from the government and the public at large.

The events have serious devastating effect on stakeholders in terms of losses in their investments. The events also resulted in the loss of thousands of jobs especially in the banking sector and drastic fall in the share prices of most listed companies on the Nigeria Stock Exchange Market (Oniwinde 2012). The shock to the stakeholders and the public led to the yet



unanswered question of “how” such event could have happened when companies were declaring billions of Naira in profit.

Organizational effectiveness assurance are the major reasons for the appointment of auditors by the stakeholders of every corporate entities, as auditors are charged with the provision of high quality financial information about economic entities that is useful for economic decision making (Aanuet *al.*, 2014). According to International Accounting Standard Board (IASB) (2013), organizational effectiveness is critical to investors and other stakeholders in making investment, profit, credit and similar decision.

Several studies found in literature attempted to address the numerous contradictions and debates surrounding audit quality issues, yet there are a lot of disagreements, controversies and conflict of interests amongst the business theorists, corporate managers, academics and the general public. Auditor independence, audit report and joint audit, are often considered to be key audit qualities that influence organisational effectiveness. However, the findings of studies revealed mixed opinions. Some studies such as Matoke and Omwenga (2016); Alflahat (2017); Dada *et al.* (2018); Abudulsalam and Bamidele (2019), have produced evidence in support of a positive impact of audit quality on organisational effectiveness, while other studies like Miettinen (2011); Afza and Nazir (2014) reported no evidence of a significant effect at all.

Summing the quantum of arguments, controversies, debates and various expectations in the literature, investigating the impact of audit quality on organisational effectiveness in Nigeria may be of an urgent need. This is because, majority of the research works that investigated the impact of audit quality on organisational effectiveness were conducted outside Nigeria. Whereas, majority of studies by Nigerians on audit quality either related it to performance or failed to take into consideration the influence of auditor independence, audit report, audit firm type and joint audit to ascertain the role played by auditors in management decisions to embark on organisation effectiveness. Few studies such as Barzan (2018); Onojaet *al.* (2013) among others, studied audit quality but suffer the weakness of neglecting the influence of much important audit quality such as auditor independence, audit report, audit firm type and joint audit. This was a considerable yawning gap the present research work was able to discover in the literature alongside the period gap of the previous studies.

However, to the best of the researcher’s knowledge, no study with similar combination of variables has been conducted in the Nigerian banking sector. Owing to their indispensable contributions to the economy it is paramount to fill in this gap. Therefore, as a result of the aforementioned scarcity, this study examines impact of audit quality on the organizational effectiveness of listed banks in Nigeria. The following questions will be answered by this study: To what extent does auditor independence influence organizational effectiveness of listed banks in Nigeria? To what extent do auditor reports influence organizational effectiveness of listed banks in Nigeria? To What extent do the joint audits influence organizational effectiveness of listed banks in Nigeria? The remaining of this study is divided into literature review, research method, analysis of data, conclusion, recommendations and contributions to knowledge.

## **2.0 LITERATURE REVIEW**

### **2.1 Conceptual Review**

#### **2.2 2.1.1 Concept of Organizational Effectiveness**

Organizational effectiveness has a very broad and often vague definition, so much so that most sources explain the concept by example rather than definition. Basically, the effectiveness of a business constitutes its ability to perform a function with optimal levels of input and output. Companies use organizational effectiveness to measure any number of things, from the relationship between employee performance and company profits to the correlation between manufacturing processes and production volume. No set parameters exist for organizational effectiveness and it follows no definitive mathematical formula. Each organization creates its own method of measuring effectiveness. Measuring effectiveness can help a small business without the ability to absorb ineffective processes modify its approach to avoid loss. Mitchell (2012) defines organizational effectiveness as the efficiency with which an organization achieves its objectives. It is usually expressed by calculating the difference between the net profit and the target profit. Other methods of measuring organizational effectiveness include results from customer satisfaction surveys and monitoring growth data. It is also the efficiency with which an association is able to meet its objectives. The main measure of organizational effectiveness for a business will generally be expressed in terms of how well its net profitability compares with its target profitability. Additional measure might include growth data and the result of customer satisfaction surveys.

According to Richard (2009), organizational effectiveness captures organizational performance plus the myriad internal performance outcomes normally associated with more efficient or effective operations and other external measures that relate to considerations that are broader than those simply associated with economic valuation (either by shareholders, managers, or customers), such as corporate social responsibility. Akingbola (2013) defined organizational effectiveness as an abstract concept and are difficult for many organizations to directly measure. Instead of measuring organizational effectiveness directly, the organization selects proxy measures to represent effectiveness. Proxy measures may include such things as number of people served, types and sizes of population segments served, and the demand within those segments for the services the organization supplies. It degrees to which objectives are achieved and the extent to which targeted problems are solved. In contrast to efficiency, effectiveness is determined without reference to costs and, whereas efficiency means "doing the thing right," effectiveness means "doing the right thing."

#### **2.1.2 Concept of Audit Quality**

The various changes in accounting, financial reporting and auditing were all designed to provide protection to investors. This is being achieved by imposing a duty of accountability upon the managers of a company (Tobiet al, 2016). More precisely, the role of auditing is to reduce information asymmetry on accounting numbers, and to minimize the residual loss resulting from managers' opportunism in financial reporting. Effective and perceived qualities (usually designated as apparent quality) are necessary for auditing to produce beneficial effects as a monitoring device. The perceived audit quality by financial statements users is at least as important as the effective audit quality. Conceptually, Agency theory recognizes auditing as one

of the main monitoring mechanisms to regulate conflicts of interest and cut agency costs (Adeyemiet *al.*, 2012).

DeAngelo (1981) defined audit quality as the competency and independence of auditors in detecting and reporting material misstatement. Zehri and Shabou (2011) asserted that high quality auditors are more likely to discover questionable accounting practices by clients and report material irregularities and misstatements compared with low quality auditors. Due to this, a higher audit quality is able to better constrain earnings management, and in turn enhance organisational effectiveness (Ching, *et al.*, 2015; Matoke&Omwenga, 2016).

#### **2.1.2.1`Auditor Independence and Organizational Effectiveness**

Auditors are expected to be objective at all times in the course of their duties. The independence of an auditor guarantees objectivity and imposes trust and confidence in the users of the financial statements. Abu and Ahmad (2009), states that independence can be of two forms; independence of mind and independence in appearance. Independence of mind requires the auditor to have a state of mind that permits the provision of opinion without being affected by influences that compromise professional judgement, allowing an individual to act with integrity and exercise objectivity and professional skepticism. Independence in appearance requires the auditor to avoid situations that will cause others to conclude that they are not maintaining an unbiased attitude of mind. The assurance services provided by auditors derive their value and credibility from the fundamental assumptions of independence of mind and independence in appearance (Dahir& Omar, 2016).

De Angelo (1981) defines auditor's independence as the conditional probability that the auditor will disclose any misstatement in financial statements given that this misstatement was already discovered. Nwanyanwu (2017) opine that auditor independence is an attitude of mind characterized by integrity and an objective approach to professional work. It is an attribute which qualifies an auditor to express opinion on matters of financial reporting without bias or undue pressure. As a result, possession of independent status constitutes an important ingredient in assessing quality of financial reports.

***H<sub>1</sub>: There is no significant relationship between auditor independence and organizational effectiveness of listed banks in Nigeria.***

#### **2.1.2.2 Audit Report and Organizational Effectiveness**

Auditor's report credibility is much debated but little understood; and despite the diversity of the concept, there remains little consensus about how to define, let alone measure, credibility of audit report. Perception of audit report credibility can depend very much on stakeholders view. Stakeholders in the audit report process may have very different views as to what constitutes credibility of audit report, which will influence the type of indicators one might use to assess credibility of audit report (Enofe *et al.*, 2013). Mohammed (2017) is of the opinion that audit report credibility is one of the most important products of accounting system that tries to provide necessary information for users to make economic decisions on the evaluation of organization's profitability and performance. Measuring and providing information that makes it possible to evaluate the past performance and effectively assess and predict the possible future profitability and anticipated activities can be considered as a prerequisite for achieving this goal.

***H<sub>2</sub>: Audit report has no significant relationship with organizational effectiveness of listed banks in Nigeria.***

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### **2.1.2.3 Joint Audit and Organizational Effectiveness**

The concept of joint audits has its roots back into 1930, wherein Denmark's joint audit was a compulsory requirement both for listed and state-owned enterprises (Ratzinger-Sakelet *al*, 2013) with the similar policy adopted in France since 1966 for public companies (Denget *al.*, 2014). A joint audit mechanism is adopted for overcoming the market domination by Big 4, which according to European Commission reports, harms the audit market. Similarly, the practice of the "four-eye" mechanism is considered as a substitute audit reform to reduce audit market concentration and ultimately enhance audit quality (Velte&Azibi, 2015). Big 4 firms account for 94% of audit firms for listed companies in Member States of Europe (Guo *et al.*, 2017). This high concentration ratio attracted the concern of EC; the collapse of Big 4 firms will severely affect the audit market (European Commission, 2010). However, according to Holm and Thinggaard (2014), the EC proposed mechanism of the joint audit was not well received and it has been met with a "fierce opposition"; opponents to this policy based their argument that joint audits will increase audit cost and bureaucracy.

Numerous studies agreed that joint audit can achieve credibility of financial reporting and increase its quality in two ways. First, joint audit leads to safe rotation by retaining the one who has more knowledge and understanding about the client firm. This safe rotation guarantees more independence and competence (Carcello& Nagy, 2004; Carey &Simnett, 2006; Deng, *et al.*, 2014;Velte&Azibi, 2015). Second, joint audit overcomes the economic threat of auditor independence by splitting audit fees and consulting fees between the two auditors, which means that the two auditors will be stronger in the face of management pressure and will do their best to control management and report their opinions fairly (Zerniet *al.*, 2012; Lesage *et al.*, 2017).

***H<sub>4</sub>: Joint audit has no significant relationship with organizational effectiveness of listedbanks in Nigeria***

## **2.1 Theoretical Review**

From extant literature, several theories have been found to explain audit quality and organizational effectiveness. The theories for this study entail inspired confidence theory and policeman theory.

### **2.2.1 Theory of Inspired Confidence**

The theory of inspired confidence was developed in Netherlands by the Limperg Institute in 1985, the theory of inspired confidence recognizes the auditor as a confidential agent who derives his function from the need for expert and independent examination as well as the need for an expert judgment supported by the audit work. This theory offers a connection between the users' needs for reliable financial reports and the ability of the audit work to meet those needs. Thus, auditors are required to know that the public expects a low rate of audit failure. Therefore, auditors are required to plan and perform their audit in a manner that will reduce to the barest minimum the risk of undetected material misstatements. The auditor is under obligation to conduct his work in a manner that does not betray his confidence (Limperg, 1985). The main importance of this theory is that, the duties and responsibilities of the auditors are derived from the confidence and trust that the stakeholders bestowed on the success of the audit and the assurance given by the auditor. According to Abdulsalam and Bamidele (2019), the confidence that the society has in audited financial statements is misplaced when the audit process fails to address the societal expectations giving rise to a loss in the value relevance of even the audit.



### **2.2.2 Policeman Theory**

Policeman theory of auditing was purely on the arithmetical accuracy and on the prevention and detection of fraud. This theory makes the auditor to detect and prevent errors and fraud in organizations. The theory was the most widely held theory on auditing until the 1940s (Hayes *et al.*, 2009). Under this theory, an auditor acts as a policeman focusing on arithmetical accuracy and on prevention and detection of fraud. However, due to its inability to explain the shift of auditing to, 'Verification of truth and fairness of the financial statement,' the theory seems to have lost much of its explanatory power. The policeman theory claims that the auditor is responsible for searching, discovering and preventing fraud. In the early 20<sup>th</sup> century this was certainly the case. However, more recently the main focus of auditors has been to provide reasonable assurance and verify the truth and fairness of the financial statements. The detection of fraud is however, still a lot topic in the debate on the auditor's responsibilities, and typically after events where financial statement frauds have been revealed, the pressure increases on increasing the responsibilities of auditors in detecting fraud.

### **2.3. Empirical Review**

#### **2.3.1 Audit Quality and Organizational Effectiveness Studies across Countries**

Hutchinson and Zain (2009) investigate the relationship between audit quality and organizational effectiveness of 60 listed firms in Malaysia, the studies employed both primary and secondary method of data analysis with the use of multiple regressions to test the relationship between the dependent and independent variables. The studies found out a positive significant relationship between audit quality and organizational effectiveness. A relational study of audit quality and organizational performance by Kaibel (2012) used multiple regression analysis covering the period of 2007 to 2010 periods. The results revealed that auditor independence has no influence towards organizational performance. Zerniet *et al.* (2012) study the impact of voluntary joint audit in Sweden on audit quality. The authors provide empirical evidence of a positive relation between joint audits and general attributes of audit quality. They also report that Big 4–Big 4 auditor pairs are not related with higher earnings quality- defined as lower income-increasing abnormal accruals – than Big 4– non-Big 4 auditor pairs. Lesage *et al.* (2012) examined the impact of joint audit on both audit costs and audit quality in Denmark during the period of mandatory joint audit (2005-2009). Firms that use joint audit are associated with significantly higher audit fees compared with firms voluntarily choosing to use a single auditor. There is no significant relationship between voluntary joint audit and total fees. In addition, audit quality, proxy by abnormal accruals, is not significantly different for the joint and single audit firms. The study by Farouk and Hassan (2014) found a contradictory result on audit quality and financial performance. The findings revealed that no association between audit report and financial performance.

Velte and Azibi (2015) carried out an investigation between internal and external audit quality, joint audit was used to proxy audit quality and discretionary accruals was used to proxy earnings quality. A sample of 508 firms listed on the Malaysia Main Market from 2009 to 2012 was used for the study. The results of the study revealed that outsourcing internal audit function, investment in internal audit function and external joint audit are related to higher earnings quality. Dahir and Omar (2016) conducted a study on internal audit quality and organizational performance with evidence from Modadishu- Somalia companies. By considering internal audit report and other internal audit quality, the study analyzed the annual reports of 29 companies.

The study used multiple regression technique to analyze the data and the finding revealed that audit report is negatively significant in explaining organizational performance.

Zayolet *al* (2017) studied the effect of auditor independence on audit quality using a sample of 50 companies listed on the Amman Stock Exchange, Jordan, The study which covered 2011 to 2015 got data from the published annual reports of the companies and regression model developed to test hypothesis. It found that auditor independence influence audit quality positively. Similarly, Guo *et al.* (2017) examine the impact of joint auditor pairs in France on financial reporting quality, measured by the degree of earnings conservatism. He provides evidence that Big 4–Big 4 auditor pairs are not associated with earnings conservatism whereas Big 4–non-Big 4 auditor pairs are associated with conservatism.

### **2.3.2 Audit Quality and Organizational Effectiveness Studies in Nigeria**

Okolie (2012) conducted a study on the role of internal audit in financial institution determinants in Nigeria. Annual reports of the sampled companies were the principal source of the data and regression techniques was used for the analysis. The study found that auditor independence is significantly associated with audit quality and improve organizational effectiveness.

Mgbameet *al* (2012) carried out a study on the effect of audit quality on financial reporting quality of listed building material firms in Nigeria. Joint audit was used to proxy audit quality while accrual and earnings quality was used to proxy financial reporting quality. A sample of four listed building material firms for the period of ten years (2002-2011) was used for the study. Ordinary Least Square (OLS) multiple regression technique was employed in the analysis of the panel data collected for the study. It was found out that joint audit has no significant positive effect on the financial reporting quality of listed building material firms in Nigeria.

Enofe *et al.* (2013) conducted a study on determinants of audit quality in the Nigeria business environment. The study found that the audit report has positive significant influence on audit quality. Dandago and Rufai (2014) conducted a study on the examination of financial reporting quality of listed banks in Nigeria, using a sample size of 20 listed banks on the Nigeria Stock Exchange for the period of 2006 to 2010. The studies employed secondary data from the published annual reports of the banks and regression model to test the hypotheses. The findings revealed positive significant relationship between audit report and organizational performance.

In the study carried out by Okaro *et al.* (2015), on the impact of audit quality (proxy by joint audit) on that of the accounting profits also proxied by accrual quality on Nigeria firms listed on the NSE for the period (2005-2014), as earlier stated revealed that joint audit have a positive impact on the relevance of the accounting profits. With the use of survey research designed, descriptive and inferential statistics, Bello *et al.* (2017) studied the relationship between audit quality and organizational effectiveness in Nigerian tertiary institution. The result of the studies revealed a significant positive relationship between auditor independence and organizational effectiveness. In the study conducted by Nwanyanwu (2017) on audit quality practices and financial reporting in Nigeria listed deposit money banks. Using panel data regression techniques to analyses the annual reports of selected banks. The findings revealed that auditor independence is positively, strongly and significantly influence financial reporting quality.

Nuhuet *al.* (2017) examined the relationship between auditor's independence and financial performance of listed parastatals in Nigeria Stock Exchange (NSE). Primary data was collected by the use of semi-structured questionnaire. Multiple linear regression analyses were used in the

study. Findings reveal a positive relationship between auditor's independence and financial performance. Using survey designed and regression models, Mohammed (2017) investigated the impact of internal audit report on organizational performance on selected Jordanian companies for the period 2015. The study found positive significant impact of internal audit report on organizational performance.

### 3.0 RESEARCH METHOD

This study showed in detailed the scientific methods used in achieving the general and specific objectives of the study. It employed correlation research design and descriptive statistics, Pearson matrix correlation as well as panel data regression analysis technique were used. The method was adopted because of its ability to test the expected relationship between and among variables, thus, making predictions concerning these relationships (Creswell, 2015).

The population for the study comprises of the entire listed banks in Nigeria Stock Exchange as at December, 2018. The sample size for this study covered 22 listed banks in Nigeria covering the period of 2014 to 2018. A purposive sampling technique was adopted and reason for the choice of the purposive sampling technique is due to the availability of data and increased organizational effectiveness noticed within those periods. Data was collected from secondary sources through the use of the NSE fact book and published annual reports and accounts of the forty nine sampled Listed Banks in Nigeria for a period of five (5) years (2014–2018). Secondary data was used in this present study because of its objectivity and the quantitative nature of the study.

### 3.1 Model Specification

In this study, a model (based on panel regression) was developed to help measure the impact of audit quality on organizational effectiveness. Also, the model was developed to verify the performance of the introduced variables in producing expected results. In specifying the model for the study, the independent variables were grouped into three namely: auditor independence, auditor report and joint audit. Organizational effectiveness is assumed to be a function of auditor independence, auditor report, audit firm type and joint audit as adopted from the model of Rahman *et al.* (2019).

This can be expressed clearly in equations 1 and 2.

$$OEF = f(AID, ADR, JOA) \dots \dots \dots Eq. (1)$$

Equation (1) is expressed explicitly as:

$$OEF = \beta_0 + \beta_1 AID_{it} + \beta_2 ADR_{it} + \beta_3 JOA_{it} + \mu_{it} \dots \dots \dots Eq. (2)$$

Where: OEF= Organizational Effectiveness;  $\beta_0$ = Intercept of the regression line;  $\beta_{1-4}$ = Coefficient or slope of the regression line or independent variables; AID= Auditor Independence; ADR = Auditor Report; JOA = Joint Audit;  $\mu$  = Error term that represents other independent variables that affect the model but not captured;  $i$ , = firm and 't' time

### 3.2 Measurement of Variables

**TABLE 3.2: MEASUREMENT OF VARIABLES**

Variable	Definition	Type of variable	Measurement	Source	Apriori sign
OE	Organizational Effectiveness	Dependent	Log of Net Profit after Tax	Barzan (2018)	
AID	Auditor Independence	Independent	Measured by dichotomy ('1' provided the audit firm perform other services other than statutory audit and '0' otherwise)	Youssef and Hamid (2017)	+ V
ADR	Audit Report	Independent	Measured by dichotomy ('1' provided the audit report is unqualified and '0' otherwise)	Vaziri and Azadi (2017).	+ V
JOA	Joint Audit	Independent	Measured by dichotomy ('1' provided the company is being audited by more than one audit firm and '0' otherwise).	Elassy (2015)	+V

Source: Authors Compilation (2020).

## 4.0 ANALYSIS, FINDINGS AND DISCUSSION

This study offers a full description of the findings with the use of the descriptive statistics for testing the normality of the variables. Secondly, it provided the outcome of unit root for testing stationarity, variances inflation factor for testing multicollinearity and the results of the correlation analysis (matrix) for testing the relationship between and among the variables. It further tested the hypotheses through the Ordinary Least Square (OLS) regression method on the relationship between the audit quality (auditor independence, audit report and joint audit) and organisational effectiveness of listed banks in Nigeria.

### 4.1.1 Descriptive Statistics

**TABLE 4.1 DESCRIPTIVE STATISTICS**

	OEF	AID	ADR	JOA
Mean	26810.86	0.909091	0.945455	0.227273
Median	4724.500	1.000000	1.000000	0.000000
Maximum	193424.0	1.000000	1.000000	1.000000
Minimum	-14918.00	0.000000	0.000000	0.000000
Std. Dev.	43850.51	0.288795	0.228130	0.420988
Skewness	0.090488	-0.846050	-0.923140	0.301583



Kurtosis	3.632000	3.100000	3.39103	2.694118
Jarque-Bera	133.0982	319.0458	1104.050	31.48766
Probability	0.000000	0.000000	0.000000	0.000000
Sum	2949195.	100.0000	104.0000	25.00000
Sum Sq. Dev.	2.10E+11	9.090909	5.672727	19.31818
Observations	110	110	110	110

**Source: Author's Computation from E-view 9.5**

Table 4.1 summarises the descriptive statistics of the Organizational Effectiveness. The mean scores of the data displayed the level of consistency as they fall between the minimum (-14918) and maximum (193424) scores. The table shows that Organizational Effectiveness (OEF) is leptokurtic because it is greater than 3 while Auditor Independence (AID), Audit Report (ADR), and Joint Audit (JOA) are normal because they are approximately within the range kurtosis of  $\pm 3$ . The Jarque-Bera (JB) statistics show that all the variables are normally distributed based on their respective probabilities that are all less than 0.05 for all the variables under study.

#### 4.1.2 Correlation Analysis

Correlation analysis is carried out to detect any autocorrelation between audit quality and organizational effectiveness. The Table shows Pearson correlation matrix for the variables as contained in the analysis. The correlation coefficients show a relationship between audit quality and organizational effectiveness. The significant relationship is at 95% confidence level. The whole relationships between the variables were tested at 5% significant level. Results demonstrated a very low significant relationship between audit quality and organizational effectiveness. As shown on the Table, the coefficients 0.194811, 0.149592 and 0.263347 for Auditor Independence (AID), Audit Report (ADR) and Joint Audit (JOA) respectively imply that the variables have low correlations with Organizational Effectiveness (OEF). Hence, these results are in conformity with the hypotheses with regard to the relationship between audit quality and organizational effectiveness.

**TABLE 4.1.2 CORRELATION MATRIX: AUDIT QUALITY AND ORGANISATIONAL EFFECTIVENESS**

	OEF	AID	ADR	JOA
OEF	1.000000			
AID	0.194811	1.000000		
ADR	0.149592	0.202548	1.000000	
JOA	0.263347	0.020580	0.130263	1.000000

**Source: Author's computation from E-View 9.5**

#### 4.2. Panel Regression Analysis

A Panel regression analysis was utilized to test the research hypotheses 1 to 3. The multiple regression analysis technique was engaged to examine the relationship between audit quality and organizational effectiveness. This method is robust because it handles any existence of a multicollinearity problem related to the entire data. Table 4.4 presents the results of the panel

regression techniques in order to analyze the relationship between auditor independence, audit report, joint audit and organizational effectiveness of listed banks in Nigeria.

**TABLE 4.2: PANEL REGRESSION OUTPUT**

Dependent Variable: OE				
Method: Panel Least Squares				
Date: 07/25/22 Time: 07:22				
Sample: 2014 2018				
Periods included: 5				
Cross-sections included: 22				
Included observations: 110				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
AID	15285.06	13942.03	1.096329	0.2754
ADR	4380.833	17630.04	0.248487	0.8042
JOA	13989.47	9848.078	1.420528	0.1584
C	-15792.76	18678.77	-0.845493	0.3998
R-squared	0.529126	Mean dependent var		26810.86
Adjusted R-squared	0.524726	S.D. dependent var		43850.51
S.E. of regression	40015.36	Akaike info criterion		24.07630
Sum squared resid	1.68E+11	Schwarz criterion		24.19905
Log likelihood	-1319.197	Hannan-Quinn criter.		24.12609
F-statistic	6.473707	Durbin-Watson stat		2.007206
Prob(F-statistic)	0.000107			

**Source: Author's computation from E-View 9.5**

The results in table 4.4 show that the Durbin Watson statistics of 2.00 shows the absence of autocorrelation or serial correlation between the variables as the coefficient is 2. It is clear from the estimated model that Auditor Independence (AID), Audit Report (ADR) and Joint Audit (JOA) variables show insignificant positive relationships with Organizational Effectiveness (OEF). The parameter estimates of Auditor Independence (AID), Audit Report (ADR) and Joint Audit (JOA) variables agree with the *a-priori* expectation of a positive relationship between dependent variable and explanatory variables (but insignificant) with Organizational Effectiveness (OEF).

From the analysis, an increase in level of Auditor Independence (AID), Audit Report (ADR) and Joint Audit (JOA) variables will bring about an increase of 15%, 04% and 14% respectively. However, all these increases are not significant; based on the probabilities of the explanatory variables, that is, AID (0.2754), ADR (0.8042) and JOA (0.1584) are positive and statistically insignificant at 5% level of significance.

The  $R^2$  value of 0.529126 (connotes 53% of the degree of variation in the organizational effectiveness) is explained by the model while the remaining 47% is captured by the stochastic error term. However, the estimated model is statistically significant in its overall evaluation considering the significance of the Prob. (F-statistic) value (0.000).

### **4.3 Discussion of Findings**

This section discusses the hypotheses formulated and relates them with the existing studies.

Auditor independence showed a positive relationship with organizational effectiveness but insignificant. The result showed that the P-values (0.2754) and T-statistic (1.096329) were higher than the 5% significant level. Hence, the result supported the acceptance of the null hypothesis as against the alternate hypothesis. The implication is that an increase in auditor independence leads to an increase in the level of organizational effectiveness but it is insignificant in Nigeria due to some factors, such as control and detection audit risk. The result is in conformity with the studies conducted by Kaibel (2012), where there is an insignificant positive relationship between audit independence and organizational effectiveness.

The findings from hypothesis two showed an insignificant positive relationship between Audit Report and Organizational Effectiveness in Nigeria. The result showed that the P-values (0.8042) and T-statistic (0.248487) were greater than the 5% significant level. Thus, the result supported the acceptance of the null hypothesis as against the alternate hypothesis. This indicates that the higher in the quality of Audit Report (AR), the higher in Organizational effectiveness but insignificant in Nigeria as a result of some factors. The result is in agreement with the work of Farouk and Hassan (2014).

The findings from hypothesis four showed an insignificant positive relationship between Joint Audit and Organizational effectiveness in Nigeria. The result showed that the P-values (0.1584) and T-statistic (1.420528) were higher than the 5% significant level. Thus, the result supported the acceptance of the null hypothesis as against the alternate hypothesis. This indicates that an increase in Joint audit enhances better performance in listed banks in Nigeria but it is not noticed. The result is in agreement with the studies by Lesage *et al.* (2011) and Guo *et al.* (2017).

## **5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Summary of Findings**

The findings were organized according to the research questions and hypotheses. These were also considered and analyzed in relation to agency theory adopted.

Hypothesis and research question one focused on the relationship between auditor independence and organizational effectiveness among listed banks in Nigeria. Based on the findings, the null hypothesis was supported contrary to the alternate hypothesis in relation to the insignificance relationship between auditor independence and organizational effectiveness among listed banks in Nigeria. This implies that existence of auditor independence does not necessary leads to higher level of organizational effectiveness among listed banks in Nigeria.

The hypothesis and research question two centered on whether or not a significant relationship exist between audit report and organizational effectiveness among listed banks in Nigeria. The results reinforced the acceptance of the null hypothesis as against the alternate hypothesis. This implied that unqualified audit report does not undermine organizational effectiveness.

Hypothesis and research question three focused on the relationship between joint audit and organizational effectiveness among listed banks in Nigeria. Based on the findings, the null hypothesis was supported contrary to the alternate hypothesis in relation to the insignificance relationship between joint audit and organizational effectiveness among listed banks in Nigeria.

This implies that joint audit engagement does not guarantee better organizational effectiveness among listed banks in Nigeria.

## **5.2 CONCLUSION**

This study carefully looked at the relationship between audit quality and organizational effectiveness in Nigeria. In achieving the objectives of this study, data were sourced from the annual reports and corporate websites of twenty two (22) listed banks in Nigeria. In addition, data were also sourced from the Nigerian Stock Exchange Factbook (2014-2018). There were four hypotheses formulated and tested using Panel regression technique. On the basis of the research findings, the following conclusions were reached: Auditor independence demonstrated an insignificant positive relationship with the organizational effectiveness of listed banks in Nigeria; Audit report exhibited an insignificant positive relationship with the organizational effectiveness of listed banks in Nigeria, based on its individual and overall result; and Joint audit exhibited an insignificant positive relationship with the organizational effectiveness of listed banks in Nigeria, based on its individual and overall result.

## **5.3 Recommendations**

Based on the findings of this research, the following recommendations, which are of immense benefit to stakeholders, are provided: Listed banks in Nigeria are to ensure that auditor independence is maintained in all aspect of the auditor's activities because the lack of auditor independence could deter the organizational effectiveness. Therefore, auditors should be monitored and there should be adequate regulatory provision to encourage the independence of the audit firms. The management and the regulatory agencies should emphasize on the audit report as this appears to be positive insignificant in improving organizational effectiveness. Regulatory agencies around the world should emphasize on joint audit as it appears positive insignificant in providing organisational effectiveness in the listed banks in Nigeria.

## **5.4 Contributions to Knowledge**

This study contributes to the study of audit quality and organization effectiveness in Nigeria in three ways: The study contributed to the two streams of literature (i.e. the audit quality literature and organizational effectiveness literature) by providing verifiable evidence of the relationship between audit quality and organizational effectiveness in Nigeria. It also contributed to the existing models, in terms of depicting specific audit qualities that measure the organizational effectiveness of listed banks in Nigeria. To the best of the researcher's knowledge, this research is the first study into the relationship between audit quality and organizational effectiveness in Nigeria, to empirically address three groups of audit quality (auditor independence, audit report, and joint audit) in a single study.

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## AN EMPIRICAL SURVEY OF WORKERS' PERCEPTIONS ON SOCIAL SECURITY MEASURES IN INDIAN RAILWAYS- A CASE STUDY

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### ABSTRACT

*In human life, there are two stages of dependency childhood and old age. Apart from them in the intervening years of adult life a person is likely occur to spells during which he/she cannot earn a living. Such spells are sickness, maternity, disablement arising out of employment injury etc. Social security system aims to help individuals in such times of dependency. It is an indispensable part of the government social policy and an important tool to prevent contingencies and provide a decent standard of life. The study endeavours to examine the perceptions of workers towards the social security measures implemented in Indian Railways, basically a case study focussed on Diesel Locomotive Works (DLW) which is a second production unit of Indian Railways. The study is organised in four sections. Section I contains introduction while a brief knowledge about the selected organisations has been discussed in Section II. Objectives of study along-with research methodology have been described in Section III. Section IV contains major findings of the study and on that basis, conclusion is drawn that indicated in Section V.*

**KEYWORDS:** Social Security, Right to Social Security and Indian Railways.

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### I. INTRODUCTION

The concept of social security is as old as society itself, but was made popular during thirty's of the last century when the term 'Social Security' was first officially used in the United State Legislation- titled 'Social Security Act 1935'. International Labour Organisation defines social security as "protection which society provides for its members through a series of public measures against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from some specific contingencies relating to human life. As per the ILO such contingencies are sickness, maternity, employment injury, unemployment, old age, invalidity, provisions of subsidiaries for family with children, provision for medical care, and death".

In context of the world community's 'basic rights and freedoms to which all humans are entitled' social security has been explicitly recognised as a basic human right and is enshrined as such in international legal instruments. Article 22 of the Universal Declaration of Human Rights lays down that everyone (every human being- as a member of society) has right to social security and is entitled to realisation through national effort and international cooperation and in accordance with the organisation. In practice, however, a very few countries have accorded it that status.

In India, it is not recognised as a fundamental right. The Supreme Court, however, ruled out the right of livelihood to every person which is ultimately the objective of social security, has enshrined in the Constitution of India. Indian Constitution under its Chapter IV 'Directive Principles of State Policy' embraces principles and policies pertaining to social security which makes responsible to the State for providing just and proper living standards to the working class through ensuring a well-structured framework of social security system.

It is important to consider that the term 'State' has occurred at many places in many rulings. In India, meaning of the State is considered as given in the Constitution of India which clears that the word "State" has different meanings depending upon the context in which it is used. In context of Part IV of the Constitution, it is considered as per the definition given in Article 12. According to Article 12, the following will be included under expression of the 'State':

- Government of India;
- Parliament of India;
- Government of each of the States which constitute the Union of India;
- Legislature of each of the States which constitute the Union of India;
- All local authorities within the territory of India;
- All local authorities under the control of the Government of India;
- All other authorities within the territory of India; and
- All other authorities under the control of the Government of India. Therefore, the Indian Constitution makes responsible to the Central Government, State Governments and all authorities working under their control for provide social security benefits to the people of India. Considering this thing various measures have been implemented in the country provided social security benefits through appropriate organisations.

**II. Profile of the Selected Organisations-** Development of railways in India can be traced back in the year 1832 when first railway project was put forward for constructing a railway line between Madras and Bangalore. But, first train (that was a 14 carriage passenger train) ran between Boribunder to Thana on 16<sup>th</sup> April, 1853 covering a distance of 34 Kms. in 75 minutes which is treated as formal birth of railway in India. In 1951, the rail system was nationalised as a government unit. Presently, it is working as a departmental undertaking under the Ministry of Railways, Government of India. With it's more than 150 years history, it\* is one of the largest infrastructure and busiest rail networks transporting about twenty-five million passengers and two and half million tons of goods daily. As a national common carrier transporting passenger and goods over its vast network, Indian Railways has always played a key role in India's social and economic development.

In order to proper functioning of railway system, production of rail parts and equipments forms an integral part in the country. To attain self-sufficiency in this field six production units have been set up at different parts of the country which are functioning as independent units under the control of the Railway Board. Diesel Locomotive Works (DLW) is one of them which established in August 1961 as the second production unit of Indian Railways in technical collaboration with American Locomotive Company (ALCO) of USA for ensuring the indigenous supply of heavy duty diesel-electric locomotives. At present, DLW has become the India's

largest manufacturer of diesel locomotives with the help of technological collaboration of M/S General Motors of USA and produced 5516 diesel locomotives from its inception to 31<sup>st</sup> March, 2009.

**III. Objectives and Methodology of the study-** The study has been conducted with the objective to examine the perceptions of workers on social security measures implemented in the organisation and offer suggestions for improving the effectiveness of those measures.

The following methodology has been adopted to achieve the set up objectives:

➤ **Sample Design-** Sample for the present study is obtained by stratified random sampling technique based on working class of the workers which has been categorised into two groups viz. officer and employee. Officer consists of Class A & B staff whereas; employee contains personnel of Class C & D. At the time of study total 5926 personnel- 159 officers and remaining 5767 employees, were working in the organisation. Out of them, a sample of 200 respondents consisting of 175 from employee and remaining 25 from officer group has been drawn and used for study purpose. It is important to clear that out of 200 respondents, 35 respondents were women and all from employee group. Questions related to maternity were asked only from women respondents.

➤ **Analysis & Interpretation-** Mathematical as well as statistical tools have been applied for analysis the data collected from the respondents. Percentage as a mathematical tool has been widely used for comparison purpose whereas; statistical technique like chi-square test has been applied to find out significance, if any, between the perceptions of officers and employees on different issues relating to the implemented measures. Calculated value of chi-square is compared with the table value for given degree of freedom at 5 % level of significance. If calculated value is more than the table value, the difference is considered as significant, i.e. it could not arisen due to fluctuations of sampling. On the other hand, if the calculated value is less than the tabular value, the difference is considered as insignificant i.e. it is regarded as due to fluctuations of simple sampling and hence ignored. Table value of chi-square at 5% level of significance on degree of freedom 1 and 2 are equal to 3.84 and 5.99 respectively.

**IV. Findings of the Study-** Major findings of the study have been discussed on the following pages:

**1. Implementation of Social Security Measures in Indian Railways-** The need for social security planning has now assumed utmost importance in all parts of the world because it provides a safety mechanism against the contingencies regarding human life and ensures a decent standard of living. It contributes positively to the productive process and to human well being. Acknowledging this, various social security schemes are implemented in Indian Railways. Some of the important ones are workmen's compensation, provident fund, pension, maternity benefit and gratuity schemes. Though, DLW is a production unit of Indian Railways; therefore persons working therein are also covered by the schemes as implemented in Railways. A brief outline about each scheme has been discussed below:

**1.1 Workmen's compensation scheme** operates through the Workmen's Compensation Act, 1923 which provides an amount of compensation for any personal injury caused by an accident arising out of and in the course of employment. It covers contingencies relating to disablement and death as the result of employment injury.

**1.2** Provident fund scheme is implemented as per the provisions of Provident Funds Act, 1925 for safeguarding the future of employees after retirement and their dependents in case of early death. The scheme mainly provides protection against contingencies relating to the retirement/old-age and death.

**1.3** Pension is the generic form of the long term periodical cash benefits provided in case of invalidity, old age and on the death of the breadwinner. In Indian Railways, the pension scheme was introduced in 1957 as per the provisions of the Provident Funds Act, 1925 which effect from 1<sup>st</sup> April, 1957. Currently the scheme does not cover the employees appointed on or after 1<sup>st</sup> January 2004.

**1.4** In Indian Railways, maternity benefit is provided according to the provisions of the Indian Railway Establishment Code\*. As per this, female railway employees including apprentices who have less than two surviving children are entitled to receive maternity benefit for a maximum period of 180 days (w.e.f. 01/09/2008). The benefit shall be provided from the date of its commencement i.e. from the date of child's birth. In addition, maternity leave for 45 days in the entire career shall be granted in case of miscarriage including abortion from the date of miscarriage. During such period, female employees shall be paid leave salary equal to the pay drawn immediately before proceeding on leave.

**1.5** Gratuity is one of the most important social security benefits provided in case of retirement or death. Lump-sum payment is made to an employee by his employer due to retirement or invalidity and in case of employee's death while in service, the amount of the gratuity is payable to his dependents. In Indian Railways, gratuity scheme implements under the Payment of Gratuity Act, 1972. As per provisions of the scheme, railway administration provides this benefit to its employees either on retirement or death whichever is earlier.

**2. Workers' Perceptions on the Implemented Measures-** It has been recognised that only the implementation of any scheme is not sufficient and necessary to measures its effectiveness. The effectiveness of a scheme mostly depends on the perceptions of beneficiaries' i.e. what is the opinion of beneficiaries regarding such scheme? Perceptions of the workers regarding various aspects of the implemented schemes such as awareness about the schemes, procedure of drawing benefits and adequacy of amount of benefit have been discussed as under:

**TABLE- 1 RESPONDENTS' PERCEPTIONS ON THE AWARENESS OF SCHEMES**

Awareness of Schemes		Respondents' Perceptions		
		Group-wise		Total
		Officers	Employees	
<b>Workmen's Compensation</b>	<b>Aware</b>	25 (100)	126 (72)	151 (75.50)
	<b>Unaware</b>	0 (00)	49 (28)	49 (24.50)
<b>Chi-square Value: 9.281</b>		<b>df: 1</b>		<b>Significant</b>
<b>Provident Fund</b>	<b>Aware</b>	25 (100)	132 (75.43)	157 (78.50)
	<b>Unaware</b>	0 (00)	43(24.57)	43 (21.50)
<b>Chi-square Value: 7.815</b>		<b>df:1</b>		<b>Significant</b>
<b>Pension</b>	<b>Aware</b>	22 (88)	120 (68.57)	142 (71)
	<b>Unaware</b>	3 (12)	55 (31.43)	58 (29)
<b>Chi-square Value: 4.0101</b>		<b>df: 1</b>		<b>Significant</b>
<b>Maternity</b>	<b>Aware</b>	0	15 (42.86)	15 (42.86)



	<b>Unaware</b>	0	20 (57.14)	20 (57.14)
<b>Chi-square Value: Nothing</b>				
<b>Gratuity</b>	<b>Aware</b>	25 (100)	119 (68)	144 (72)
	<b>Unaware</b>	0 (00)	56 (32)	56 (28)
<b>Chi-square Value: 11.110 df: 1 Significant</b>				

Source: Field Study

Table 1 shows awareness level of respondents' indicating that on the whole majority of the respondents were aware about the schemes except the maternity benefit scheme. Category-wise analysis further clears that officers were fully aware about the schemes, whereas, employees were not fully aware. In case of maternity benefit scheme, majority of the respondents were unaware. Difference between perceptions of officers and employees is tested with the help of chi-square. The value of chi-square, in case of all schemes (except in maternity benefit scheme) is statistically significant. Therefore, it is concluded that awareness level of employees (Category C and D workers) was low as compare to the officers (Category A and B workers).

**TABLE- 2 RESPONDENTS' PERCEPTIONS ON PROCEDURE OF GRANTING BENEFITS**

Procedure of Granting Benefits		Respondents' Perceptions		
		Group-wise		Total
		Officers	Employees	
<b>Workmen's Compensation</b>	<b>Complex</b>	14 (56)	93 (53.14)	107 (53.50)
	<b>Simple</b>	11 (44)	32 (18.29)	43 (21.50)
	<b>No opinion</b>	0 (00)	50 (28.57)	50 (25)
<b>Chi-square Value: 13.933 df: 2 Significant</b>				
<b>Provident Fund</b>	<b>Complex</b>	14 (56)	85 (48.57)	99 (49.50)
	<b>Simple</b>	11 (44)	47 (26.86)	58 (29)
	<b>No opinion</b>	0 (00)	43 (24.57)	43 (21.50)
<b>Chi-square Value: 8.597 df: 2 Significant</b>				
<b>Pension</b>	<b>Complex</b>	12 (48)	90 (51.43)	102 (51)
	<b>Simple</b>	10 (40)	30 (17.14)	40 (20)
	<b>No opinion</b>	3 (12)	55 (31.43)	58 (29)
<b>Chi-square Value: 8.612 df: 2 Significant</b>				
<b>Maternity</b>	<b>Complex</b>	0	11 (31.43)	11 (31.43)
	<b>Simple</b>	0	4 (11.43)	4 (11.43)
	<b>No opinion</b>	0	20 (57.14)	20 (57.14)
<b>Chi-square Value: Nothing</b>				
<b>Gratuity</b>	<b>Complex</b>	13 (52)	79 (45.14)	92 (46)
	<b>Simple</b>	12 (48)	36 (20.57)	48 (24)
	<b>No opinion</b>	0 (00)	60 (34.29)	60 (30)
<b>Chi-square Value: 12.652 df: 2 Significant</b>				

Source: Field Study

It is clear from Table 2 that on the whole almost half of the respondents were expressed that procedure of drawing benefits under different schemes, except the maternity benefit scheme, was

complex. Category-wise analysis indicates that majority of the respondents from both categories were having same responses i.e. complex. As a result of unawareness, a significant number of employee respondents' were unable to express their opinion in any direction. Again it is necessary to consider that as compare to employees, more officers were opined that the procedure was simple. Differences existed between the perceptions of officers and employees are tested with chi-square. The value of chi-square reflects that such differences are significant. Thus, it is concluded that procedure of drawing benefits were relatively simple for officers than the employees.

**TABLE- 3 RESPONDENTS' OPINION ON THE ADEQUACY OF BENEFITS**

Adequacy of Benefits		Respondents' Perceptions		
		Group-wise		Total
		Officers	Employees	
<b>Workmen's Compensation</b>	<b>Adequate</b>	20 (80)	93 (53.14)	113 (56.50)
	<b>Inadequate</b>	5 (20)	30 (17.14)	35 (17.50)
	<b>No opinion</b>	0 (00)	52 (29.72)	52 (26)
<b>Chi-square Value 6.895</b>		<b>df: 2</b>		<b>Significant</b>
<b>Provident Fund</b>	<b>Adequate</b>	17 (68)	84 (48)	101 (50.50)
	<b>Inadequate</b>	5 (20)	47 (26.86)	52 (26)
	<b>No opinion</b>	3 (12)	44 (25.14)	47 (23.50)
<b>Chi-square Value 3.727</b>		<b>df: 2</b>		<b>Insignificant</b>
<b>Pension</b>	<b>Adequate</b>	19 (76)	100 (57.14)	119 (59.50)
	<b>Inadequate</b>	3 (12)	20 (11.43)	23 (11.50)
	<b>No opinion</b>	3 (12)	55 (31.43)	58 (29)
<b>Chi-square Value 3.3358</b>		<b>df: 2</b>		<b>Significant</b>
<b>Maternity</b>	<b>Adequate</b>	0 (00)	11 (31.43)	11 (31.43)
	<b>Inadequate</b>	0 (00)	2 (5.71)	2 (5.71)
	<b>No opinion</b>	0 (00)	22 (62.86)	22 (62.86)
<b>Chi-square Value: Nothing</b>				
<b>Gratuity</b>	<b>Adequate</b>	21 (84)	89 (50.86)	110 (55)
	<b>Inadequate</b>	4 (16)	26 (14.85)	30 (15)
	<b>No opinion</b>	0 (00)	60 (34.28)	60 (30)
<b>Chi-square Value 10.005</b>		<b>df: 2</b>		<b>Significant</b>

**Source:** Field Study

Table 3 indicates the perception of respondents on the adequacy of benefits provided under different schemes. On the whole, more half of the respondents were opined that benefits available under the schemes, except the maternity benefit scheme were adequate. Category-wise analysis indicates that again a significant number of respondents from employee group were having defensive attitude. The analysis further reflects that such benefits were relatively more adequate for officers than the employees and also register a difference. In case of workmen's compensation and gratuity, the value of chi-square is statistically significant leading to conclusion that benefits provided under such schemes were more adequate for officers as compare to employees. In case of provident fund and pension schemes difference between the

perceptions of officers and employees is insignificant and therefore concluded that benefits provided under such schemes were equally adequate for both categories of personnel.

**IV. CONCLUSION-** The need for social security planning has now assumed utmost importance in all parts of the world. In India, principles and policies pertaining to social security are enshrined by the Constitution under its Chapter IV 'Directive Principles of State Policy' which makes responsible to the State for providing just and proper living standards to the working class through ensuring a well-structured framework of social security system. It provides a safety mechanism against the contingencies regarding human life and ensures a decent standard of living.

From the study it is found that schemes implemented in Indian Railways secure the life of railways employees against contingencies from birth to death which also covered persons working in DLW. The study reveals that the awareness level of Category C and D workers was low i.e. workers of Category C and D were not having full knowledge about the schemes implemented in organisation. The study further indicates that though the procedure of drawing benefits was complex for both groups but at the same time it was relatively simpler for officers and amount of benefits provided under the schemes was adequate. Based on the findings from the study it may be concluded that social security schemes were not much effective and improved by taking the few steps. Proper efforts should be made for providing full knowledge about the implemented measures especially to staffs of category C and D so that they clearly expressed their opinion on the related issues. As the study found that procedure of drawing benefits was complex and therefore it should be simplified.

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