# Effect of Infrastructural Decays on Organisational Expansion of Manufacturing Firms in Enugu State

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Abstract: The study was carried out to examine the effect of infrastructural decays on organisational expansion of manufacturing firms in Enugu State. The specific objectives include to: Examine the effect of unstable power supply on organisational expansion of manufacturing firms in Enugu State and ascertain the effect of dilapidated roads on organisational expansion of manufacturing firms in Enugu State. The population for the study was one hundred and fifty three (153) staff. The whole population of 153 was used because it is well defined and small. Out of the population of 153, 136 returned the questionnaire and accurately filled. That gave 89 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.81 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z-statistic tool. The findings indicated that unstable power supply had significant effect on organisational expansion of manufacturing firms in Enugu State, Z(95, n = 136) = 4.0992, p > 0.05, and dilapidated roads have significant effect on organisational expansion of manufacturing firms in Enugu State Z(95, n = 136) = 3.501. The availability of functional infrastructures such as electricity, roads, railways, water supply, education, and a host of other amenities that converge to provide the required environment for the free flow of goods and services across the length and breadth of the country are critical to the growth and expansion of any manufacturing firm. The study recommends among others that the present state of infrastructural decay must be attended to by the government and corporate bodies in order to attain the level of development and expansion for the manufacturing sector.

Keywords: Infrastructural decay, organisational expansion, unstable power supply, dilapidated roads

### Introduction

Infrastructure refers to the fundamental physical and organizational structures essential for a society's correct operation, such as the creation and establishment of industries, buildings, health services, power supply, roads and railroads, telecommunications, and so on. It is the business, or the products, services, and facilities, that are required for an economy to function (Sullivan & Sheffrin, 2013). In the same vein, Olufemi (2012) defined infrastructure as "a collection of interconnected structural pieces that create a framework for a whole development structure." The availability of functional infrastructures such as energy, roads, railways, water supply, education, and a host of other amenities that converge to provide the required environment for the free flow of goods and services across the length and breadth of the country are critical to any country's economic growth and development. These infrastructures include roads, electricity, health, and national assets, all of which are aimed at improving society's comfort and general progress.

Infrastructure facilities in manufacturing firms are not demanded for their own sake, but for what they will help in producing. In all aspects, whether in developed or less developed societies, the capacity and capability necessary for firms growth stem from the acquisition of science and technology, culture and the availability of enabling infrastructure. The enabling infrastructures are the major factors which must exist to allow private enterprises to operate and grow. Available infrastructure will make people to be creative, innovative, gainfully employed, self reliant, wealth creators and will ensure security. Sani (2010) believes that infrastructural amenities are inadequate and the operation of the functional ones has not been efficient. This indeed has dire consequences for organisational expansion. The manufacturing sector in Nigeria operates in an environment with very poor infrastructure, which deter prospecting firms from entry and hinders international competitiveness (Kessides, 2008; Akinwale, 2010).

As a result, many start-up firms have failed owing to a lack of education, making it impossible for the owner to communicate effectively with clients and develop new competitive tactics. Power/Electricity is also critical to the effective performance and

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sustained operation of manufacturing enterprises in today's economic world. Due to the ongoing reduction in electrical supplies, several firms have relocated from Nigeria to neighboring nations. Manufacturing enterprises' productivity and profitability are harmed by a lack of power/electricity infrastructure (Akinwale, 2010; Doe & Asamoah, 2014). The poor quality of electricity in the country is thought to have a negative impact on their operations. Voltage fluctuations and power interruptions can cause production to cease, equipment to be damaged, and product quality to suffer. The quality of transportation infrastructure is a major driver of corporate performance. As a capital output into production and wealth generation, transportation infrastructure plays a significant role. Most businesses struggle to meet expectations because they are unable to deliver manufactured items when they are needed due to a lack of adequate transportation infrastructure (Mandel, 2018). For example, would be very difficult to deliver goods that are highly perishable along roads that are highly inaccessible. Therefore, it is generally believed that infrastructural decay is a serious constraint on manufacturing firm's expansion. The study was carried out to examine the effect of infrastructural decays on organisational expansion of manufacturing firms in Enugu State.

### Statement of the Problem

Any country's ability to thrive and prosper is heavily reliant on its infrastructure. Most countries' economic development has been hampered by infrastructure degradation. The manufacturing sector's and the economy's downturns over the years are the result of a complete disregard for vital infrastructure required for economic growth and development. The Nigerian manufacturing industry has a number of fundamental obstacles, including high production costs, a limited scope of operation, and bad infrastructure. Infrastructure quality, from electricity to port infrastructure and road network, is in shambles. The electricity and power sector has been seriously sub-optimized and sadly marked by low generating capacity.

For a long time, Nigeria's manufacturing sector has been hampered by issues such as unreliable and unpredictable electricity supply, deteriorating roads, insufficient water supply for both home and industrial usage, and inefficient and costly communication networks, among others. Almost all manufacturing enterprises in Nigeria have one or more power-generating facilities as a backup power supply. Because the cost of acquiring, maintaining, preserving, and operating such generating facilities is frequently prohibitively expensive, the cost of production as well as product pricing have grown prohibitively expensive, with the latter becoming more uncompetitive in comparison with the imported equivalent. The cost of providing basic infrastructure amenities is estimated to be between 5% and 20% of the entire cost of establishing a manufacturing and processing company in Nigeria. The manufacturing industry in Enugu State is beset by high operating costs, which prevents many firms from expanding. The state's manufacturing economy is now under peril as a result of this degradation. The need for a thorough and critical assessment into the impact of infrastructural decay on the expansion of manufacturing firms becomes necessary.

### **Objectives of the Study**

The study sought to examine the effect of infrastructural decays on organisational expansion of manufacturing firms in Enugu State. The specific objectives include to:

- i. Examine the effect of unstable power supply on organisational expansion of manufacturing firms in Enugu State.
- ii. Ascertain the effect of dilapidated roads on organisational expansion of manufacturing firms in Enugu State.

### **Research Questions**

The following research questions guided the study:

- i. What is the effect of unstable power supply on organisational expansion of manufacturing firms in Enugu State?
- ii. What is the effect of dilapidated roads on organisational expansion of manufacturing firms in Enugu State?

### Statement of Hypotheses

- i. Unstable power supply has no significant effect on organisational expansion of manufacturing firms in Enugu State.
- ii. Dilapidated roads have no significant effect on organisational expansion of manufacturing firms in Enugu State.

### **Conceptual Framework**

### Infrastructural Decays

Infrastructure is basic physical and organizational structures needed for the operation of a society or enterprise, or the services and facilities necessary for an economy to function. It can be generally defined as the set of interconnected structural elements that provide framework supporting an entire structure of development. It is an important term for judging a country or region's development. The term typically refers to the technical structures that support a society, such as roads, bridges, water supply, sewers, electrical grids, telecommunications, and so forth, and can be defined as the physical components of interrelated systems providing commodities and services essential to enable, sustain, or enhance societal living conditions (Akinyele, Feyisayo & Oladimeji, 2016). Infrastructural decay would therefore mean a situation whereby the basic amenities are not functional or are in deplorable state.

### Unstable power supply

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Unstable power supply is a situation whereby the residents and companies requiring electricity cannot predict when this electric power from the national grid will be available for their consumption. In most situations, unstable power supply can be equated to no power supply as the work the power is needed for, might have been done before the supply is made available or the power is interrupted before what it is to be used for, is gotten ready (Ohajianya, Abumere, Owate, & Osarolube, 2014). In Nigeria, poor electricity supply is perhaps one of the greatest problems confronting the manufacturing sector. The typical Nigerian firm experiences power failure or voltage fluctuations about ten times per week, each lasting for about two hours, without the benefit of prior warning. This imposes a huge cost on the firm arising from idle workers, spoiled materials, lost output, damaged equipment and restart costs. The overall impact is to increase business uncertainty and lower returns on investment. For the aggregate economy, this has seriously undermined Nigeria's growth potential and the attractiveness of the economy to external investors.

The Manufacturers Association of Nigeria (MAN) in a recent interview with the News Agency of Nigeria (NAN) has stated that poor electricity supply is responsible for the slow growth of the manufacturing sector in the country. Speaking on behalf of the body, the Secretary-General stated that the body has entered into partnerships with foreign donor agencies to improve manufacturing in the country. These partnerships offer a unique advantage to the sector by bridging the capacity gap, educating manufacturers on power optimisation as well as providing remedies for alternate supply options (Ada, 2020).

## **Dilapidated Roads**

An efficient transport system has remained an important element of economic growth and development. Njoku (2009) and Ikpechukwu and Ureal, (2012) pointed out that the transport sector is the pivot of the economy, the hub upon which the wheel of the economy revolves and that the neglect of this sector draws development backwards. The importance of access roadsto the economic strength and efficiency of a nation cannot be overemphasized. A fundamental requirement of manufacturing firm is the distribution of products from the point of production to the appropriate target market at the right time, right quantity and right quality for customers' satisfaction at a profit. Any significant disruption of the flow of goods and people will impact economically a great number of businesses and individuals adversely.

The Nigerian manufacturing sector seems to be the worst hit by the poor condition of transport infrastructure in the country. No fewer than 500 companies in Nigeria closed shop between 2009 and 2011 due to high operating business costs emanating mainly from power and transportation difficulties, (NACCIMA 2012). The loss of skilled human resources (lives) on these roads is a routine occurrence. These problems impinge on the expansion of the manufacturing firms.

### **Organisational expansion**

Organisational expansion is a process through which the structure of a multigent system organization increases the number of its roles and links. This is essentially a quantitative process. Organisational expansion has the potential to provide firms with a myriad of benefits, including things like greater efficiencies from economies of scale, increased power, a greater ability to withstand market fluctuations, an increased survival rate, greater profits, and increased prestige for organization (Meyer, & Bromley, 2014).

## **Theoretical Framework**

## **Theory of Unbalancing Development**

Theoretically, Hirschman's theory of unbalancing development is used to justify the treatment of infrastructure as a 'lead' sector whose expansion promotes and supports the development of other sectors. In Hirschman's view, since developing countries do not possess sufficient resources for investing simultaneously in all sectors of the economy, investments in strategically selected industries or sectors of the economy will lead to new investment opportunities and so pave the way to further economic development Hirschman (1958).

## The Structural Functional Analysis theory

The Structural Functional Analysis theory by Gabriel Almond will be adopted to explain and empirically justify this study. In his theory, Almond's mode of analysis is fundamentally concerned with the phenomenon of system maintenance and regulation. The basic theoretical proposition is that in all social systems, certain basic functions have to be performed. Almond provided a model for structural functional analysis, which identified the functional requirements of the political system and explained the contribution of these functions toward the maintenance of stability of the system. He further noted that every political system has some structures, these structures perform certain functions meant for it and has to be maintained.

### **Empirical Review**

Andrews, Braimah, & Vincent (2018) sought to investigate the effects of bad roads on transportation system and its maintenance and service cost in the Gushegu District in the Northern Region of Ghana. Both primary and secondary data were collected for the study. The primary data involved 150 Drivers, Driver Mates and Transport Owners using mainly questionnaire. The findings showed that bad roads had effects on transportation system as this brought about frequent break down of vehicles and increased maintenance

cost. It is therefore recommended that government should formulate a good road infrastructure policy that will enhance the sustainability of road infrastructure and should also encourage public participation in road infrastructure provision and maintenance to accelerate development of the District.

Akinyele, Feyisayo & Oladimeji (2016) examined the effect which infrastructures have on SMEs performance. The main objective of the study was to critically examine the effects which certain infrastructures have on the performance of small and medium scale enterprises and to achieve this, salient issues on main infrastructures such as education, power/electricity, technology and transportation were examined to analyse what effects they have on SMEs using some performance measures such as; business survival, profitability, sales turnover and product/service delivery. The research design utilized for this study was the quantitative research design while the population includes all the 593 registered SMEs in Ogun-State (According to SMEDAN). A total of 239 questionnaires were administered to the target sample to find out the effects of the mentioned infrastructures on the performance of SMEs. Both the stratified and the simple random sampling techniques were utilized during the course of the study. To achieve the objectives of the study, four hypotheses were formulated and tested from the structure of the research questions. Furthermore, ANOVA was used in testing these hypotheses with the help of SPSS. The findings show that there is a significant positive correlation between infrastructures and SME performance; this implies that infrastructures play a huge role in ensuring the successful business operation of SMEs. It is therefore recommended that government should adequately provide these basic infrastructures for SMEs as most infrastructures cannot be afforded by the SMEs themselves. Also, SMEs should also do more to attract governmental attention and interest.

Ishola, Adegbemi, Benita & Ifayemi (2015) investigated the effect infrastructural decay on the growth of the manufacturing sector in SubSaharan Africa with particular reference to the Nigerian situation. The data necessary for this study were obtained from secondary sources. The results of unit root suggest that all the variables in the model are stationary. The ordinary least square regression with a coefficient of 0.92 revealed a strong positive relationship between the variables of interest. A co-integration test was performed on these variables to determine the longrun relationship between the variables. The results of causality tests suggest that electricity supply, transport infrastructure and inflation rate (the explanatory variables) jointly explain changes in the manufacturing sector performance. The result also reveals a one-way causation running from interest rate to manufacturing sector performance. The Johansen cointegration result reveals the existence of a common trend among the variables of interest. Electricity decay was found to have the greatest negative impact on the manufacturing sector's financial performance and output followed by inflation and transportation. The government is therefore enjoined to continue the reform programmes across the infrastructural segments of the economy.

Ogbuagu, Ubi, & Effiom, (2014) carried out a study on corruption and Infrastructural Decay: Perceptible Evidence from Nigeria. The study attempted to articulate descriptively the link between corruption and infrastructural decay in Nigeria. Two selected infrastructural sub-sectors (electricity and governance) were briefly examined and used to demonstrate the correlation between corruption and the current state of infrastructural decay. It was very glaring from the simple correlation analysis that it is not absolute lack of funds that has caused infrastructural decay but outright mismanagement of funds (corruption) that is principally responsible for the level of infrastructural decay in Nigeria. On the basis of this analysis, some policy options were suggested. In essence, the promotion and institutionalization of good governance, long term infrastructural planning and public private partnership in the provision of infrastructures were among the policies recommended.

## Methodology

The study focused on the effect of infrastructural decays on organisational expansion of manufacturing firms in Enugu State. The study focused on management and senior staff only each from three pharmaceutical manufacturing firms in Enugu State: Juhel Nigeria Limited, Nemel Pharmaceutical and A. C. Drugs Limited. These firms were purposely selected because they have high strength and operate on high ethical standards. The research used the survey approach. The primary sources used were the administration of a questionnaire. The population for the study was one hundred and fifty three (153) staff. The whole population of 153 was used because it is well defined and small. Out of the population of 153, 136 returned the questionnaire and accurately filled. That gave 89 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.81 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z-statistic tool.

### Likert Scale Analyses

Research question one. What is the effect of unstable power supply on organisational expansion of manufacturing firms in Enugu State?

Table 1:	Responses to research question one: On the effect of unstable power supply on organisational expansion of
	manufacturing firms in Enugu State

	U	5	4	3	2	1	∑FX	-	SD	Decision
		SA	Α	Ν	DA	SD		X		
1	My firm has experienced frequent	325	152	21	26	13	537	3.95	1.335	Agree
	unstable power supply	65	38	7	13	13	136			
		47.8	27.9	5.1	9.6	9.6	100%			
2	Power outages cause disruptions	545	20	24	10	9	608	4.47		Agree
	of the production process, leading	109	5	8	5	9	136			-
	to reductions in intermediate and	80.1	3.7	5.9	3.7	6.6	100%		1.180	
~	final outputs		1.60	•		0			1 2 50	
3	Increasing shortages in power	275	168	39	34	9	525	3.86	1.260	Agree
	supply compel firms to undertake	55	42	13	17	9	136			
	precautionary measures and to use	40.4	30.9	9.6	12.5	6.6	100%			
	alternative power sources such as									
	generators									
4	Higher frequencies and durations	485	48	39	16	6	594	4.36	1.147	Agree
	of power outages has caused	97	12	13	8	6	136			-
	deterioration and breakdown of	71.3	8.8	9.6	5.9	4.4	100%			
	production machinery and									
	equipment									
5	Unstable power supply leads to	180	304	36	20	2	542	3 99	886	Agree
5	inefficiency of the labour force	36	76	12	10	$\frac{2}{2}$	136	5.77	.000	rigice
	memerency of the fabour force.	26.5	55.8	88	7 /	15	100%			
	T-4-1	20.5	55.8	0.0	/.4	1.5	100%	4.13(	170 1	
	Lotal grand mean and standard							4.126	1/8.1	
	deviation									

Source: Field Survey, 2021

From the table, 65 respondents out of 136 representing 47.8 percent agreed that their firm has experienced frequent unstable power supply with mean score of 3.95 and standard deviation of 1.335. Power outages cause disruptions of the production process, leading to reductions in intermediate and final outputs with 109 respondents representing 80.1 percent agreed with mean score of 4.47 and standard deviation of 1.180. Increasing shortages in power supply compel firms to undertake precautionary measures and to use alternative power sources such as generators with 55 respondents representing 40.4 percent agreed with mean score of 3.86 and standard deviation of 1.260. Higher frequencies and durations of power outages has caused deterioration and breakdown of production machinery and equipment with 97 respondents representing 71.3 percent agreed with mean score of 4.36 and standard deviation of 1.147. Unstable power supply leads to inefficiency of the labour force with 36 respondents representing 26.5 percent agreed with a mean score of 3.99 and standard deviation of .886.

# Research Question Two. What is the effect of dilapidated roads on organisational expansion of manufacturing firms in Enugu State?

 Table 2: Responses to research question two on the effect of dilapidated roads on organisational expansion of manufacturing firms in Enugu State

					5	4	3	2	1	∑FX	-	SD	Decision
					SA	Α	Ν	DA	SD		Х		
6	The	quality	of	road	300	244	24	10	2	580	4.26	.845	Agree
	infrast	ructure in	fluence	s the	60	61	8	5	2	136			
	produc	tivity of ou	r firms		44.1	44.8	5.9	3.7	1.5	100%			

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Vol. 5 Issue 10, October - 2021, Pages: 25-32

7	Many villages are isolated	245	224	26	32	2	529	3.88	1.033	Agree
	without link roads to the rest of	49	56	13	16	2	136			8
	the state.	36.0	41.2	9.5	11.8	1.5	100%			
8	There is difficulty in	250	208	39	38	2	537	3.94	1.077	Agree
	distribution of products from	50	52	13	19	2	136			C
	the point of production to the	36.8	38.2	9.5	14.0	1.5	100%			
	appropriate target market.									
9	Delay in delivery of products	115	348	39	22	2	526	3.86	.842	Agree
	led to loss of revenue and	23	87	13	11	2	136			
	increase in operational cost.	16.9	64.0	9.5	8.1	1.5	100%			
10	Nature of roads affects vehicle	180	252	39	26	11	508	3.73	1.188	Agree
	maintenance/service costs	36	63	13	13	11	136			C
		26.5	46.2	9.6	9.6	8.1	100%			
	Total grand mean and							3.934	338.0	
	standard deviation									

Source: Field Survey, 2021

From the table, it was agreed that the quality of road infrastructure influences the productivity of our firms with mean score of 4.26 from the respondents and standard deviation of .845. Many villages are isolated without link roads to the rest of the state with 3.88 agree of mean score and standard deviation of 1.033. There is difficulty in distribution of products from the point of production to the appropriate target market with 3.94 mean score and 1.077 standard deviation. 3.86 agree mean average supports that delay in delivery of products led to loss of revenue and increase in operational cost with standard deviation of .842. The Nature of roads affects vehicle maintenance/service costs with mean score of 3.73 and standard deviation of 1.188.

## **Test of Hypotheses**

# Hypothesis One: Unstable power supply has no significant effect on organisational

## expansion of manufacturing firms in Enugu State.

 Table 1: Z – test on Unstable power supply has no significant effect on organisational expansion of manufacturing firms in Enugu State.

		Unstable power supply has no
		significant effect on organisational
		expansion of manufacturing firms in
		Enugu State.
Ν		136
Normal Parameters	Mean	4.126
	Std Deviation	178.1
Most Extreme	Absolute	351.6
Most Extreme	Positive	.249
Differences	Negative	351.6
Kolmogorov-Smirnon Z	-	4.0992
Asymp. Sig.(2-tailed)		.000
The second straight second sec	NT	

a. Test distribution is Normal

b. Calculated from data

### **Decision Rule**

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

## Result

With Kolmogorov-Smirnon Z – value of 4.0992 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that unstable power supply has significant effect on organisational expansion of manufacturing firms in Enugu State.

### Decision

Furthermore, comparing the calculated Z- value of 4.0992 against the critical Z- value of 2.18 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that unstable power supply had significant effect on organisational expansion of manufacturing firms in Enugu State.

# Hypothesis Two: Dilapidated roads have no significant effect on organisational expansion of manufacturing firms in Enugu State

# Table 2: Z – test on dilapidated roads have no significant effect on organisational expansion of manufacturing firms in Enugu State.

		Dilapidated roads have no significant
		effect on organisational expansion of
		manufacturing firms in Enugu State
Ν		136
Normal Parameters	Mean	3.934
	Std Deviation	338.0
Most Extreme	Absolute	300.2
Most Extreme	Positive	.186.8
Differences	Negative	-300.2
Kolmogorov-Smirnon Z	-	3.501
Asymp. Sig.(2-tailed)		.000

a. Test distribution is Normal

b. Calculated from data

## **Decision Rule**

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

### Result

With Kolmogorov-Smirnon Z – value of 3.501 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of most of the respondents that dilapidated roads have significant effect on organisational expansion of manufacturing firms in Enugu State.

## Decision

Furthermore, comparing the calculated Z- value of 3.501 against the critical Z- value of 2.18 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that dilapidated roads had significant effect on organisational expansion of manufacturing firms in Enugu State.

### **Discussion of Findings**

From the result hypothesis one, comparing the calculated Z- value of 4.0992 against the critical Z- value of 2.18 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that unstable power supply had significant effect on organisational expansion of manufacturing firms in Enugu State. In support of the hypothesis, literatures revealed that Power outages have effects on the overall performance of firms, causing increases in economic costs, reductions in produced quantities, and eventually decreases in sales and productivity (Fattouh and El-Katiri 2013; Fisher-Vanden, Mansur, and Wang 2015). Power outages generate costs that could be instantaneous (not proportional to the duration of power outages) such as losses of computer files and programmes, and that could be proportional to the duration of power outages, such as idle machinery and labour. This result corroborates the survey of the Manufacturers Association of Nigeria (MAN) 2010 in that survey, MAN indicated that the cost of generating power constitute about 36 percent of production. From the result hypothesis two, comparing the calculated Z- value of 3.501 against the critical Z- value of 2.18 (2-tailed test at 95% level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that dilapidated roads have significant effect on organisational expansion of manufacturing firms in Enugu State. In line with the hypothesis, Andrews, Braimah, & Vincent (2018) in their study on the effects of bad roads on transportation system and its maintenance and service cost in the Gushegu District in the Northern Region of Ghana found that bad roads had effects on transportation system as this brought about frequent break down of vehicles and increased maintenance cost.

### **Conclusion and Recommendations**

The availability of functional infrastructures such as electricity, roads, railways, water supply, education, and a host of other amenities that converge to provide the required environment for the free flow of goods and services across the length and breadth of the country are critical to the growth and expansion of any manufacturing firm. The study examined the effect of dilapidated roads and unstable power supply on organisational expansion. Nigerians do not have access to regular and effective power supply. This has affected the manufacturing sector enormously and the aftermath effect on the nation's development is there for all to see. Based on the findings of the study, the following recommendations were made: It is very instructive to state at this point that the present state of infrastructural decay must be attended to by the government and corporate bodies in order to attain the level of development and expansion for the manufacturing sector. What is required urgently and as a matter of priority is for the government and corporate bodies to intensify their efforts individually and collectively to renew and improve the infrastructural facilities in the country, thereby reducing cost for the manufacturing firms. When these problems are tackled, idle capacity utilization will be a thing of the past as all available factor resources will be optimally employed to improve productivity and expansion of the sector.

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