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An Assessment of Factors Influencing the Adoption of E-Dividend Payment Method for Efficient Customer Services Delivery by Nigerian Banks

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Abstract
This study assesses the factors influencing the adoption of e-dividend payment method by Nigerian banks. To achieve the objectives of the study, primary data were collected from purposively selected staff of sampled banks' registrars with the aid of a structured questionnaire. Data collected were analyzed using three statistical analytical techniques; Factor analysis, independent samples t test, and discriminant analysis. The statistical analysis showed that both adopters and non-adopters expressed common view on the impact of top management support, organizational competence, IT capability, perceived benefits, perceived compatibility, perceived complexity, supporting industries, regulatory pressure, market pressure and government support on e-dividend method, but differ on the issues of e-dividend reducing transaction costs, improving transparency in dividend payment and helping in tracking investment reliably and efficiently. They also differ on the issues of compliance with Securities and Exchange Commission (SEC) regulations, commitment of government topromote e-dividend, understanding of e-dividend technologies by employees, and flexibility of e- dividend method. These seven issues differentiate adopters from non-adopters and hence determine the decision to adopt or not to adopt e-dividend method. The rank of the factors affecting adoption of e-dividend (in descending order of impact) is: regulatory pressure, market pressure, perceived compatibility, organizational competence, supporting industries, IT capability and top management support, perceived complexity, government support, and perceived benefits.

Keywords: e-dividend, perceived complexity, regulatory pressure.

INTRODUCTION

The capital market of a nation is one of its major economic drivers and the need for its vibrancy to meet the yearnings of the stakeholders cannot be over-emphasized. In Nigeria, there is a popular belief that investment in the capital market is one of the surest ways of getting returns with minimal risk (Babalola, 2005). In view of this, when the returns are not forthcoming, the investors are likely to lose confidence and perhaps divest to other investment opportunities. One of the major problems associated with investing in the capital market is the issue of unclaimed dividends and unclaimed share certificates. Emmanuel (2008) maintains that as at March 31, 2007, the total sum of N28, 645,595,238.30 had accrued as dividends to be claimed with the sum of N14, 816,303,321.90 being unclaimed dividends and N13, 829,291,916.40 remaining as current dividend. He further stated that the surplus and/or returned excess money of public offers stood at N562, 802,621.00. Also, there are 1,007,234 share certificates waiting to be claimed as at March 31, 2007, in spite of the fact that there are thousands of investors who are asking daily for their share certificates (as evidence of investment). The above figure is exclusive of those that are delivered to wrong addresses. The same is applicable to unclaimed dividends which Emmanuel (2008) considered to be sufficient to buy a money-deposit bank in Nigeria. This disconnect may be caused largely by wrongly-spelt addresses and inefficient and ineffective mail delivery system among other factors.

Al-Faki (2008) stated that as at March, 2007 First Bank, hereinafter called First Registrars had about N4 billion (accrued and current) as dividends awaiting investors' claim. He further estimated the unclaimed dividends in other banks as follows: Oceanic Registrars (N2 billion), Sterling Registrars (N2.5 billion), Union Registrars (N2 billion), Afribank Registrars (N1.5 billion), Wema Registrars (N2.26 billion) and City Securities Registrars (N3 billion). He opined that the registrars are largely to blame for the huge amounts of unclaimed dividends. According to him, the registrars ought to have devised means of ensuring that investors all get their dues. Ekwo as quoted by Obinna (2007) argues that the only viable

alternative is to embrace the new concept of e-dividend which in his opinion would lead to increased transparency in the administration of dividend payments, eliminate the costs associated with printing and posting of dividend warrants, as well as reinforce the confidence of investors in the sector.

The need for reinforcement of shareholders' confidence can be seen from the statement of Okoreafor as quoted by (Obinna, 2007) which maintains that the continuous retention of dividends by companies had distorted their true financial position and misled investors and other members of the public. This is corroborated by Babalola (2005) who opined that most public quoted companies attempt to act deliberately to ensure a high figure of unclaimed dividends as a cheap source of fund to the detriment of investors.

It is very clear that despite the various agitations towards resolving the problem of unclaimed dividends, a robust policy towards the elimination of this problem has been elusive. To achieve significant long-term elimination of unclaimed dividends and clear the backlogs, a pragmatic approach is required which will also to protect the interest of shareholders. It is against this background that this study was designed to assess the factors influencing the adoption of e-dividend payment system by selected public quoted banks in Lagos, Nigeria. It is hoped that the findings of this study will fill the gap in our knowledge on dividend payment and provide a basis for informed judgments in tackling problems associated with investment claim in the banking sector. Despite that a number of a research studies that had been carried out in various countries such as South Africa (Frame and White, 2002.) USA (Chakravorti et al, 2003) and UK (Chang, 2002), research – based evidence on factors associated with e-dividend payment system in Nigeria is scarce. Therefore, the little available information on the issue in the country may be based more on conjectures than facts.

METHODS

Population of Study

The twenty-four commercial banks in Nigeria made up the population of this research. These banks were stratified into two strata: adopters of e-dividend payment method and non-adopters of e-dividend payment method.

Sample Frame

A total of eight banks were randomly chosen for this research. Five banks were in the adopter category and three in the non-adopter category. Union Bank, GT Bank, UBA, First Bank and Zenith Bank made up the adopter category while the non-adopter category was made up of Afribank, Fin Bank, and Unity Bank. The banks' Registrar's Departments were contacted and agreed to participate in the survey. The sampling frame of this study comprises all middle management and management staff in the Registrars' departments of the eight selected public quoted banks in Lagos metropolis totaling one hundred and nine (109) plus experienced senior staff. The choice of these categories of employees was informed by the fact that adoption of e – dividend payment system is a major policy decision, which is clearly the responsibility of that management cadre.

The sample procedure applied is purposive sampling since the respondents were simply identifiable. Based on the total number of management staff in all the eight selected banks which was one hundred and nine (109), eleven experienced senior staff were purposively selected for inclusion in the sample. Thus, the sample size is one hundred and twenty (120) staff of the selected banks' registrar's departments. The implication of this was that the sample size adopted was not only the total representation of the population but every member was given the opportunity to partake in the study.

RESEARCH INSTRUMENT

Data were collected using a self-administered questionnaire. Questionnaires are appropriate for gathering the views of a large number of people about a particular phenomenon (Stroh, 2000). Questionnaires were used to gain general picture of factors affecting the adoption of e-dividend payment. One hundred and twenty copies of the questionnaire were administered. The questionnaire consists of questions that are related to possible factors affecting adoption of e-dividend payment as identified in the literature. Likert five point scales ranging from 'strongly agree' to 'strongly disagree' were used as a basis of questions. This scale has been used in previous adoption research. Instruments from previous research [Aghaunor and Fotoh (2006); Folorunso et al. (2006)] in e-commerce in Nigeria were adapted for this survey.

FACTOR ANALYSIS RESULTS

Table 1 shows an abridged version of the R-matrix. The top half of this table contains the Pearson correlation coefficient between all pairs of variables whereas the bottom half contains the one-tailed significance of these coefficients. We can use this correlation matrix to check the pattern of relationships. First, scan the significance values and look for any variable for which the majority of values are greater than 0.05. Then scan the correlation coefficients themselves and look for any greater than 0.9. Check the determinant of the correlation matrix and, if necessary, eliminate one of the two variables causing the problem. The value of the determinant listed at the bottom of the matrix is 0.007 which is greater than the necessary value of 0.00001.

Therefore, multicollinearity is not a problem for these data, all variables in the model correlate fairly well and none of the correlation coefficients are particularly large; therefore, there is no need to consider eliminating any variables.

Table: 1 Correlation Matrix$_a$

		RP	MS	PB	IT	PC	PX	OC	SI	GS	MP
Correlation	RP	1.00									
	MS	0	1.000								
	PB		.456	1.000							
	IT	.086	.547	.267	1.000						
	PC		.566	.443	.668	1.000					
	PX	.089	.569	.405	.393	.547	1.000				
	OC		.490	.569	.595	.643	.626	1.000			
	SI	.000	.477	.481	.644	.596	.498	.625	1.000		
	GS	-.074	.487	.523	.329	.526	.600	.512	.656	1.000	
	MP	-.012	.187	.192	-.014	.124	.210	.092	.0.32	.342	1.000
		-.052									
		.026									
		.121									
		-.049									

Source: Data Analysis, 2010

Table 2 depicts the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy as cited in Olawoyin (2001) and Bartlett's test of sphericity. The KMO statistic varies between 0 and 1. A value of 0 indicates that the sum of partial correlations is large relative to the sum of correlation, indicating diffusion in the pattern of correlations (hence, factor analysis is likely to be inappropriate). A value close to 1 indicates that patterns of correlation are relatively compact and so factor analysis should yield distinct and reliable factors. Kaiser (1974) as cited in Olawoyin (2001) recommends accepting values greater than 0.5 as acceptable (values below this should lead you to either collect more data or rethink which variables to include). Furthermore, values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb. For these data the value is 0.81, which falls into the range of being great: thus, confirming the appropriateness of factor analysis for this study.

Bartlett's measure tests the null hypothesis that the original correlation matrix is an identity matrix. For factor analysis to work there is need for some relationships between variables and if the R- matrix were an identity matrix then all correlation coefficients would be zero. Therefore, it is desirable that this test is significant (i.e. have a significance value less than 0.05) . A significant test tells us that the R- matrix is not an identity matrix; therefore, there are some relationships between the variables included in the analysis. For these data, Bartlett's test is highly significant ($p<0.001$), and therefore factor analysis is appropriate.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.806
Bartlett's Test of Sphericity	Approx. Chi-Square	337.126
	df	45
	Sig.	.000

Factor Extraction

Table 3 lists the eigenvalues associated with each linear component (factor) before extraction, after extraction and after rotation. The eigenvaluues associated with each factor represent the variance explained by that particular linear component and the table also displays the eigenvalue in terms of the percentage of variance explained (so, factor 1 explains 47.491% of total variance) . The first few factors explain relatively large amount of variance (especially factor 1) whereas subsequent factors explain only small amount of variance. Extracting all factors with eigenvalues greater than 1 leaves us with three factors. The eigenvalues associated with these factors are again displayed in the columns labelled Extraction sums of squared Loadings. The values in this part of the table are the same as the values before extraction, except that the values for the discarded factors are ignored (hence, the table is blank after the third factor). In the final part of the table (Rotation sums of squared Loadings), the eigenvalues of the factors of the rotation are displayed. Rotation has the effect of optimizing the factor structure and one consequence for these data is that the relative importance of the three factors is equalized. Before rotation, factor 1 accounted for 47.491% (compared to 11.993 and 10.632%), however after extraction it accounts for 44.501% of variance (compared to 14.726 and 10.888%, respectively). Cumulative variance extracted is 70.1%, which is above the minimum of 60% for social science (Hair et al., 1998).

Table 3: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
Component	Total	%of Variance	Cumulative %	Total	%of Variance	Cumulative %	Total
1	4.749	47.491	47.491	4.749	47.491	47.491	4.450
2	1.199	11.993	59.484	1.199	11.993	59.484	1.473
3	1.063	10.632	70.115	1.063	10.632	70.115	1.089
4	.708	7.076	77.191				
5	.573	5.734	82.926				
6	.562	5.618	88.544				
7	.434	4.342	92.886				
8	.339	3.389	96.275				
9	.209	2.088	98.363				
10	.164	1.637	100.000				

Source: Data Analysis, 2010

Table 4 shows communalities before and after extraction. Principal component analysis works on the initial assumption that all variance is common, therefore, before extraction the communalities are all 1.. Extraction reflects the common variance in the data structure. So, for example, we can say that 93.6% of the variance associated with variable 1 is common, or shared, variance. Another way to look at these communalities is in terms of the proportion of variance explained by the underlying factors. After extraction some of the factors are discarded and so some information is lost. The amount of variance in each variable that can be explained by the retained factors is represented by the communalities after extraction.

Table 4: Communalities

	Initial	Extraction
Regulatory pressure	1.000	.936
Management support	1.000	.566
Perceived benefits	1.000	.523
IT capability	1.000	.731
Perceived compatibility	1.000	.719
Perceived complexity	1.000	.606
Organizational competence	1.000	.708
Supporting industries	1.000	.697
Government	1.000	.725
Competitive pressure	1.000	.800

Table 5 shows the component matrix before rotation. This matrix contains the loadings of each variable onto each factor. By default SPSS displays all loading; however, we requested that all loadings less than 0.6 be suppressed in the output and so there are blank spaces for some of the loadings. At this stage, three factors are extracted. One important decision is the number of factors to be extracted. By Kaiser's criterion, three factors should be extracted and this is what SPSS has done. However, this criterion is accurate when there are less than 30 variables and communalities after extraction are greater than 0.7 or when the sample size exceeds 250 and the average communality is greater than 0.6. The communalities are shown in Table 4.4 and the average of the communalities can be found by adding them up and dividing by the number of communalities (7.011/10 =0.701) which is greater than 0.6. Therefore, we could probably justify retaining three factors.

Table 5: Components Matrix$_a$

	Component		
	1	2	3
Organizational	.825		
Competence	.816		
Perceived Compatibility	.809		
Supporting industries	.766		
Government support	.761		
Perceived complexity	.748		
Management Support	.718		
IT capacity	.670		
Perceived Benefits		.789	
Market pressure			.938
Regulatory pressure			

Factor Rotation

Table 6 shows the rotated component matrix (also called the rotated factor matrix in factor analysis) which is a matrix of the factor loadings for each variable onto each factor. This matrix contains the same information as the component matrix in Table 4.4 except that it is calculated after rotation. There are several things to consider about the format of this matrix. First, factor loadings less than 0.6 have not been displayed because we asked for these loadings to be suppressed. Second, the variables are listed in the order of size of their factor loadings because we asked for the output to be sorted by size. There are three factors and variables load very highly onto factor 1. (with the exception of MP and RP). The suppression of loadings less than 0.6 and ordering variable by loading size also makes interpretation considerably easier.

Table 6: Rotated Components Matrix$_a$

	Component		
	1	2	3
Perceived Compatibility	.836		
Organizational	.831		
competence	.829		
Supporting Industries	.822		
IT capability	.706		
Management Support	.688		
Perceived complexity	.630		
Government			
Perceived Benefits		.889	
Market pressure			.966
Regulatory pressure			

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation Converged in 5 iterations.

Factor analysis in the variables used in the study i.e. regulatory pressure, market pressure, organizational competence, perceived compatibility, perceived complexity, IT capability, top management support, supporting industries, and government support were measured on a 5 point likert scale anchored by 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree) and 5 (strongly agree) in order to assess convergent and discriminate validities. The research variables were subjected to the principal component analysis (a correlation matrix approach) using orthogonal rotation specifically varimax rotation. Bartlett's test of sphericity testing the null hypothesis that the correlation matrix is an identity matrix is rejected ($p < 0.0001$). Thereby indicating the presence of correlation among variables. Also the KMO was also used to test if the sample is adequate and value of KMO in this analysis was 0.806 which confirms the adequacy of the sample.

The correlation matrix of all the variables shows that all the variables correlate fairly well and none of the correlation coefficient is particularly large, therefore there is no need to eliminate any variable in the analysis. The determinant (0.007) used to test for multicollinearity is greater than 0.00001, therefore, multicollinearity is not a problem for the data. Three factors are extracted from the analysis; before rotation, factor 1 accounted for 47.491% compared to 11.993 and 10.632% for factors 2 and 3, respectively. However after extraction, it accounts for 44.501% of variance compared to 14.726 and 10.888% for factors 2 and 3, respectively. Given a factor loading of 0.60, perceived compatibility, organizational competence, supporting industries, IT capability, top management support, perceived complexity, and government support load on factor 1 while only competitive pressure and only regulatory pressure load on factor 2 and factor 3, respectively. Following the order of size of the factor loadings, the order of factors influencing the adoption and use of e-dividend payment among Nigerian banks is regulatory pressure, market pressure, perceived compatibility, organizational competence, supporting industries, I T capability and top management support, perceived complexity, and government support. In other words, the main determinants of the use of e-dividend payment in Nigerian banks can be broadly divided into two categories: organizational factors and external factors. These results are consistent with the findings of studies on the adoption of IT innovation carried out in both developed and developing countries of the world.

T-Test of Mean Differences

The preliminary independent t test sheds some light on the specific items within each factor that differentiate adopters from non-adopters of e-dividend amongst Nigerian banks.. The t-test helped in understanding the specific issues that influence the likelihood of adopting of e-dividend. The result of the Independent Samples T Test across adopters and non-adopters of e-dividend. The table shows that only seven items; three of perceived benefits, one of regulatory pressure, one of government support, one of organization competence and one of perceived complexity differ in means between the adopters and non-adopters.

Discriminate Function Analysis

Using discriminant analysis, major differences were discovered between adopters and non-adopters of e-dividend at the item level. During the analysis all the seven items identified by t-tests were included. The dependent variable, adoption of e-dividend is a dichotomous variable measured by adopters and non-adopters. Each of the independent variables, was measured on a 5 point likert scale anchored by 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree) and 5 (strongly agree).

All of the independent variables were considered simultaneously in the discriminant analysis regardless of the discriminating power. The discriminant function was significant at .001 level. The canonical correlation value is 0.444 so that 0.444 x 0.444 x 100 = 19.7% of the variance in the discriminant function scores can be explained by group difference. Thus, a linear combination of the seven independent variables explains 19.7 percent of the variance in the dependent variable. The lambda coefficient is defined as the proportion of the total variance in the discriminant scores not explained by the difference among the groups, here 80.3%. Table 8 shows the ranking of the variables in descending order in terms of discriminating power between adopters and non-adopters of e-dividend, given by the absolute value of loading. As indicated in the table, the order of importance is reduction in transaction cost (PB1), improvement in transparency in dividend payment (PB2), compliance with the regulations of Securities and Exchange Commission (RP1), government commitment to e-dividend (GS4), clarity and understanding of e-dividend by employees (OC1), reliability and efficiency in tracking transaction (PB5), and flexibility in e-dividend method (PX2). In other words, perceived benefits (reduction in transaction cost, improvement in transparency, and efficiency in tracking transaction), regulatory pressure (compliance with SEC regulations), government support (commitment to promoting e-dividend), organizational competence (understanding of e-dividend by employees), and perceived complexity (flexibility of interaction with e-dividend method).

Table 8 Structure Matrix

N/S	Factor	Function
1	The e-dividend payment would save cost	.452
2	e-dividend payment should help improve transparency in dividend payment	.431
3	Compliance with regulations of Securities and Exchange Commission (SEC)	.421
4	Government demonstrates strong commitment to promote e-dividend payment	.406
5	My interaction with e-dividend payment is /would be clear and understandable	.388
6	E- dividend pay should help track transaction,/ investment reliably and efficiently	.385
7	Interaction with e-dividend payment is /would be flexible	.377

Based on the predicted group membership, the classification matrix correctly classified 65.4% of the cases as adopters and non-adopters. In other words, the discriminant function was able to classify 65 percent of the cases correctly assuming homogeneity of the covariance matrices.

Hypothesis Tests Results

This section discusses the results from the one sample t test. The results are presented in Tables 4.9 and 4.10. All the hypotheses were confirmed; the result from the research confirmed the impact of regulatory pressure, market pressure, management support, organizational competence, perceived benefit, perceived complexity, perceived compatibility, IT capacity, supporting industries, and government support on e-dividend.

Table 9 Group and pooled means

Factor	Adopters	Non-adopters	Pooled
Regulatory factors (R)	4.3	4.1	4.23
Top management support (MS)	4.02	3.97	4.01
Perceived benefits (PB)	3.99	4.02	4.00
IT capability (IT)	4.11	4.17	4.13
Perceived compatibility (PC)	4.04	4.15	4.07
Perceived complexity (PX)	3.97	4.09	4.01
Organizational Competence (OC)	4.18	4.30	4.22
Supporting Industries (SI)	3.86	3.95	3.89
Government (GV)	3.71	3.79	3.73
Market driven factors (MD)	4.39	4.43	4.41

Table 9 shows that all the mean values are greater than 3.5 and independent t test shows that the null hypothesis of equality of the group mean for all the factors cannot be rejected at 5% level of significance in all cases. This can be interpreted to mean that both adopters and non-adopters of e-dividend did not differ on the issue of impact of the enumerated factors on the adoption and the use of e-dividend payment among Nigerian banks. That is, adopters and non-adopters both share a common view concerning the impact of all the factors on the adoption and use of e-dividend.

Table 10 shows that the results of one sample test conducted to test the null hypothesis that each factor mean does not differ significantly from 3.5. This null hypothesis is rejected in all cases; thereby confirming all the stated research hypotheses.

Table 10: One-Sample Test Results

	Test Value =3.5			
	t	df	Sig (2-tailed)	Mean Difference
RP	6.985	78	.000	.72785
MS	7.104	76	.000	.50519
PB	7.716	81	.000	.50000
IT	8.731	79	.000	.63438
PC	8.774	78	.000	.58608
PX	8.941	82	.000	.51205
OC	12.263	81	.000	.72358
SI	4.569	81	.000	.39024
GS	2.911	82	.005	.23494
MP	12.514	81	.000	.90732

Source: Field survey, 2010

The results contained in the table revealed that (i) top management support positively impacts e-dividend adoption,(ii) that a high level of IT resources and personnel IT knowledge will positively impact e-dividend adoption, (iii) that a high level of perceived benefit will positively impact e-dividend, (iv) Evidence from this research suggest that banks whose existing infrastructure and organizational climate are compatible with e-dividend are more likely to adopt e-dividend, (v) the availability of employees with adequate understanding of e-dividend technologies will facilitate the adoption of e-dividend. That is, a high level of organizational competence will positively impact e-dividend adoption, (vi) that the existence of adequate and a developed support industry will positively affect the adoption of e-dividend.

(vii) government can play a key role in the development of e-dividend in Nigeria by providing the telecommunication infrastructure, institutional support, and especially to both facilitate and give official status to electronic transactions and documents, (viii) This result supports the assertion of Rogers (1995) that innovations that are simpler to understand and use are adopted faster than those

requiring the adopter to develop new skills and understanding. Thus we conclude that a high level of perceived complexity negatively impacts ee-dividend adoption.(ix) it is revealed that regulatory (SEC) pressure can positively influence the use of e-dividend in Nigerian banks.

SUMMARY OF FINDINGS

E-dividend which refers to the payment of dividend due to shareholders through direct credit by electronic means into their nominated bank accounts was recommended by the Securities and Exchange Commission (SEC) in order to reduce the incidence of unclaimed dividends. Despite the benefits and gains associated with it, not all public quoted banks have adopted it. Therefore, this study assesses the factors which influenced its adoption and use among Nigerian banks. Specifically, the study determines the various factors influencing the adoption and use of e-dividend by Nigerian banks and also identifies and ranks these factors in terms of their importance on the decision to adopt and use e-dividend by banks. To achieve the objectives of the study, primary data were collected from purposively selected staff of sampled banks' registrars with the aid of a structured questionnaire. Prior to the selection of the respondents, the public quoted banks were stratified into two groups: adopters and non-adopters of e-dividend. A total of eight banks were selected for the study- five adopters and three non-adopters. From these banks, one hundred and twenty respondents were purposively selected to participate in the study. Independent variables used in the study i.e. regulatory pressure, market pressure, organizational competence, perceived compatibility, perceived complexity, IT capability, top management support, supporting industries, and government support were measured on a 5 point likert scale anchored by 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree)and 5 (strongly agree) in order to assess convergent and discriminate validities.

Data collected were analyzed using three statistical analytical techniques. Factor analysis was used to determine factors which influenced the adoption and use of e-dividend by banks, independent samples t test was used as a preliminary statistical tool to identify specific issues within each factor that discriminate between adopters and non-adopters of e-dividend, while discriminant analysis was used to gain further insights in the discriminating factors and rank such factors.

Results from the statistical analysis provide a picture of the adoption of e-dividend in the Nigerian banking sector. Generally, the results support all the hypotheses.; this is consistent with previous research in innovation adoption (Molla & Licker, 2005; Grandon & Pearson, 2004). Both adopters and non-adopters expressed common view on the impact of top management support, organizational competence, IT capability, perceived benefits, perceived compatibility, perceived complexity, supporting industries, regulatory pressure, market pressure and government support on e-dividend method. But differ on the issues of e-dividend reducing transaction costs, improving transparency in dividend payment and helping in tracking investment reliably and efficiently. They also differ on the issues of compliance with SEC regulations, commitment of government to promote e-dividend, understanding of e-dividend technologies by employees, and flexibility of e-dividend method. These seven issues differentiate adopters from non-adopters and hence determine the decision to adopt or not to adopt e-dividend method

A number of conclusions can be drawn from these results. Firstly, banks with a strong support and commitment to e-dividend from top management are more likely to adopt e-dividend. Secondly, banks that have the requisite IT and business resources (infrastructure and skills) for e-dividend adoption stand a better chance at adopting e-dividend. Thirdly, banks that have sound IT infrastructure in place are in a better position to adopt e-dividend.

The data analysis also showed that e-dividend characteristics have a major effect on the decision to adopt. Banks with more positive attitude towards e-dividend characteristics are more likely to adopt e-dividend. This result provides support for Roger's innovation theory. Three essential attributes of innovation that affect the formation of attitude are benefits, compatibility, and complexity. If e-dividend is viewed as better than the existing method of operations, consistent with the needs of the adopting bank, and is easy to use, then there is a greater chance that a favorable attitude towards e-dividend will be formed.

External factors also influenced the adoption of e-dividend. A highly developed supporting industry will improve the adoption of e-dividend. The perception of the market banks operate in affects the decision to adopt. High level of government support is necessary for the adoption of e-dividend; for example, government can play a key role in the development of e-dividend in Nigeria by providing the necessary infrastructure. Regulatory authorities (e.g. SEC) directive and pressure can influence the adoption of e-dividend method.

The rank of the factors affecting adoption of e-dividend (in descending order of impact) is: regulatory pressure, market pressure, perceived compatibility, organizational competence, supporting industries, IT capability and top management support, perceived complexity, government support, and perceived benefits.

CONCLUSION

This study has shown that three sets of factors can influence the adoption and use of e-dividend among Nigerian banks. The first comprises external factors-regulatory (SEC) pressure, market pressure, supporting industries and government support; the second consists of organizational factors – top management support, organizational competence, and IT capacity; while the last set comprises technology factors – perceived benefits, perceived compatibility and perceived simplicity. All these factors will positively influence adoption and use of e-dividend method among banks. The study also revealed the order of factors discriminating adopters from non-adopters of e-dividend as perceived benefits (perception on e-dividend reducing transaction costs; improving transparency in dividend payment; and helping in tracking investment reliably and efficiently), regulatory pressure (perception on compliance with SEC regulations), government support (perception on government commitment to promote e-dividend), organizational competence (perception on understanding of e-dividend by employees), and perceived complexity (perception on flexibility of e-dividend technology). Perception on these factors determine the likelihood of adoption of e-dividend in Nigerian banks.

This study is an attempt to identify the factors that determine the likelihood of adoption of e-dividend in Nigerian banks. The objectives of the study was to understand the factors that could drive or inhibit the use of e-dividend in the Nigerian banking industry; and to rank the importance of such factors on the decision to adopt and use e-dividend.

RECOMMENDATIONS

Based on the findings of this study, the following can be recommended in order to encourage adoption of e-dividend method by all Nigerian banks on sustainable basis:

(i) External business environment must be made conducive to the adoption of e-dividend method by banks. This can be achieved through formulation and implementation of appropriate public policies by various tiers of government. The establishment of supporting industries should be facilitated and encouraged; regulatory authorities(Securities and Exchange Commission) should be made to be effective and efficient in the discharge of their duties; government should provide necessary infrastructural facilities (e.g. electricity supply situation should be improved) necessary for the support of the industry; and ensure healthy competition in the business environment. Improvement in service delivery by the telecommunication industry in the country from its current epileptic situation/condition.

(ii) Internal business environment should be made favorable to the adoption of e-dividend method. That is, top management should be supportive and receptive to new idea; business facilities should be able to support the innovation or banks encourage to equip themselves with necessary facilities.

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