

# Self efficacy, information acquisition and utilization as correlates of effective decision making among managers in insurance companies in Nigeria

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## ABSTRACT

*This paper examined the self-efficacy, information acquisition and utilization as correlates of effective decision making of managers in corporate insurance companies in Nigeria. Total enumeration technique called census coupled with a self-developed questionnaire was used to collect data on a population size of 153 managers in eleven corporate insurance companies in Nigeria, out of which 145 responded given a response rate of 94.8 percent. The study found that self-efficacy, information acquisition and utilization had significant collinear relationship with effective decision making of the respondents. In addition, self-efficacy, information acquisition and utilization significantly predict effective decision making of the respondents. More so, each of the independent variables, namely, self-efficacy, information acquisition and information utilization significantly predict effective decision making of the respondents. Nevertheless, information utilization was found to have the greatest percentage (65.22 percent) relative contribution to the prediction of effective decision making of the managers in Nigerian corporate insurance companies.*

**Keywords:** Self-efficacy; Information acquisition; Information utilization; Insurance managers; Nigeria.

## INTRODUCTION

Insurance companies in Nigeria are passing through a difficult time as the waves of recapitalization and consolidation are sweeping through the sector like a storm. The Government has geared up the minimum paid-up capital base of insurance companies to two billion Naira (~~₦~~2billion) for life, ~~₦~~3 billion for general business and ~~₦~~10 billion for reinsurance with compliance date set at February 2007. According to the directive, any insurance company that fails to achieve the set level of capitalization will have its licence revoked. This development has posed a lot of challenges to managers in the insurance industry, hence insurance companies need to rethink their business models in several areas of operations such as customer service, asset management, financial management, product innovation, risk management, personnel management,

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information and communication technologies, materials management and information management.

Managers in the insurance industry in Nigeria need information to meet the challenges of business recapitalization and consolidation for effective decision making. The insurance managers need the right information, in the right place, in the right format, at the right time, and at the least possible cost to make right decisions. The basic issue in the insurance business is risk management. The managers in the insurance business world-wide depend heavily on good information to manage risks associated with their business operations. Data, information, and knowledge are costly and valuable enterprise assets that require acquisition and utilization for effective decision making of managers, particularly in the insurance industry.

Self-efficacy is very important to the effective decision making of managers. Bandura (1986, 1991, 1994 and 1997) defined self-efficacy as people's beliefs about their capabilities to produce designated levels of performance that exercise influence over events that affect their lives. Self-efficacy beliefs determine how people feel, think, motivate themselves and behave; such beliefs produced these diverse effects through four major processes, namely, cognitive, motivational, affective and selective processes. A strong sense of efficacy enhances human accomplishment and personal well-being in many ways. Information seeking behaviour, acquisition and use may improve decision-making of managers in organizations (Auster and Choo 1993) Decision making is the cognitive process leading to the selection of a course of action among available alternatives. Every decision making process produces a final choice called a decision. Therefore, decision-making is a reasoning process which can be rational or irrational, and can be based on explicit or tacit assumptions (Klein 1998). Effective decision-making may be viewed as cognitive ability of the manager in the insurance industry to select the best course of action among the available alternatives in order to get the desired results.

However, given the dynamics of business environment, some insurance companies in Nigeria face the problem of distress due to inefficient allocation of resources (men, money, machines, material and information) for optimal performance. As a consequence of re-organization of the insurance industry in Nigeria, the government policy centres on recapitalization and consolidation results to financial mobilization of funds, mergers and take-overs of some insurance companies, deployment of information and communication technologies, training and retraining of the staff as well as right sizing of the staff for effective business performance. These pertinent business problems need solutions through decision analysis of which self-efficacy, information acquisition and use of the managers are the key ingredients. Be that as it may, can one be right to say that self-efficacy, information acquisition and utilization could facilitate effective decision-making of managers in insurance companies in Nigeria?

## **LITERATURE REVIEW**

Managers in private sector organizations need self-efficacy training to enhance their creative thinking for the production of value-added products and services. Beliefs in personal efficacy affect life choices, level of motivation, quality of functioning, residence

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to adversity and vulnerability to stress and depression (Schwarzer 1992; Bandura 1994). Schwarzer and Schmitz (2005) submitted that expectations of self efficacy determine whether instrumental action will be initiated, how much efforts will be expended, and how long it will be sustained in the face of obstacles and failures. Bandura (1997) averred that a strong sense of self-efficacy facilitates cognitive processes and performance in a variety of settings, including quality of decision making and achievement. People with high self-efficacy choose to execute most difficult tasks and seek for more accurate information to make rational decisions. Without self-efficacy, individuals give up trying to accomplish goals, making self-limiting decisions that foreclose opportunities even though individuals have the necessary skills to follow a path of action (James and Brown 2005).

One cannot be wrong to say that information, which is a message received and understood, a collection of facts (data) from which conclusions may be drawn and knowledge acquired through study or experience or instruction, is very crucial in explaining the self-efficacy and decision-making of any user group particularly managers in business organizations. Afolabi (2004) reiterated that information use leads to better decisions by managers; it engenders growth and development and erroneous conceptions, views and opinions on programmes and activities of institutions and organizations are corrected when information is properly collected, used and disseminated.

Erwat and Fabunmi (2006) reported that information acquisition and information management capacity affect administrators' decision-making effectiveness in tertiary institutions in South-Western Nigeria. The ability of managers to acquire relevant, timely, reliable, current, sufficient, accurate and complete information is very important in efficient and effective decision-making. Past studies have shown that increased amounts of relevant information lead to better decision-making performance (Dennis 1996; Ganzach and Schul 1995; Horowitz, Forsterlee and Brolly 1996). Ali (2000) reported that managers in Nigerian banking industry sourced or acquired their information needs from the stockbrokers, customers, colleagues and company annual reports. Miller (2001) was of the view that business information could better be sourced or acquired from direct contact with customers, printed information documents and electronics information services.

Nevertheless, Arnott and Tan (1991) classified information acquisition as either reactive or proactive. In reactive mode, managers collect information in response to a specific question or problem. On the other hand, proactive information acquisition occurs when managers scan or survey the environment for any information that may be relevant or important. It must be noted that managers in insurance companies most often consider information richness of any available source or channel and their relevance to their needs in decision-making performance before acquiring information therefrom. Arnott and Tan (1999) reported that eight senior managers in a large organization in Australia acquired their needed information from the web-based resources. Information is acquired by managers in organizations through various available channels such as their colleagues, telephone, Internet, reference books, memoranda, circulars, online databases and customers (Choo 1998; de-Alwis and Higgins 2001). However, accessibility and use of relevant and timely information by the managers in business

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organizations could foster effective decision-making. Adeniji (2001) pointed out that the decision-making process is considered as fundamental to management in organizations, hence the need for adequate and accessible information that would be utilized by the managers. Popoola (2002) found that managers in corporate insurance companies in Nigeria utilized the following information services at great extent: reprographic, current awareness, statistical data analysis, referral, circulation of information materials, technical writing, indexing and abstracting, and documents delivery in their work performance. Popoola (2006) reported that there was a significant relationship between information utilization and decision-making of managers in commercial banks in Nigeria.

Similarly, Oyewusi (2008) established that information accessibility and utilization had significant relationship with decision-making of managers in Nigeria commercial banks. Pezeshki-Rad and Zamani (2005) found that the top three mostly used information sources by extension managers and specialists in Iran were Persian books, Persian scientific magazines, and scientific technical reports.

Correria and Wilson (1997) studied how managers in the Portuguese chemical industry scan their business environment for information and they established that memoranda, reports and oral communication were mostly used by them to acquire their needed information. Popoola (2000a) found that managers in corporate banking business in Nigeria utilized colleagues, customers, private files, newspapers and magazines, radio and television and reports as their major sources of information for purpose of investment analysis, improved services and market research.

In organizational setting, managers' rational decision-making requires information acquisition, processing and utilization (Choo 2001). The direct relationship between the quality of information used by a decision maker and decision-making performance has been well established (O'reilly 1982). According to Reid, Thomson and Wallace-Smith (1998), information is a valuable commodity and does add considerable value to the decision-making process of managers in organizations.

**OBJECTIVES OF THE STUDY**

The following are the specific objectives of this study:

- a) To find out the level or extent of self-efficacy of managers in insurance companies in Nigeria.
- b) To ascertain the types of information acquired and sources utilized by the managers.
- c) To find out the level of effective decision making of managers.
- d) To find out whether self, efficacy, information acquisition and utilization are related to effective decision making amongst the managers.

The following hypotheses guided the conduct of this study and they were tested at  $\alpha = 0.05$  level of significance:

- a) There is no significant relationship between self-efficacy and effective decision making of the respondents.
- b) There is no significant relationship between information acquisition and effective decision making of the respondents

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- c) There is no significant relationship between information utilization and effective decision making of the respondents.
- d) Self-efficacy, information acquisition and information utilization will not significantly predict effective decision making of the respondents.

## **RESEARCH METHODOLOGY**

This research used the correlation technique to determine the direction and degree of the relationship or association between variables, that is, the degree to which two or more sets of measures from the same subjects vary in unison (Popoola 2000b). The study determines the degree of relationship among dependent variable (effective decision-making) and independent variables (self-efficacy, information acquisition and information utilization) of managers in corporate insurance companies in Nigeria.

The study population comprised 153 managers in eleven insurance companies quoted on the Nigeria stock exchange as at November 2006. The sampling procedure used was total enumeration technique (Census). All the 153 managers in the eleven insurance companies under consideration were covered. The reason being that the population size of these insurance managers is very small, and that the available financial resource and time frame for the study could permit it.

A self-developed questionnaire tagged Effective Decision-making, Self-efficacy, Information Acquisition and Utilization (DMESEIAU) scale for managers was used for data collection. It is divided into four parts. Part A deals with personal information of the respondents such as gender, age, marital status, job tenure, educational qualification and job status. Part B measures self-efficacy of respondents. This self-efficacy scale was constructed by Schewartz and Jerusalem (1995) and it has 10 item statements. The response format ranged from strongly agree (SA) = 4 to strongly disagree (SD) = 1. The self-efficacy scale has a Cronbach's alpha reliability coefficient of 0.75. Part C deals with information acquisition of the respondents such as types of information acquired. Based on the literature review, 15 items were identified as possible types of information acquired by managers. The response format are: very highly acquired, (VHA) = 4, highly acquired (HA) = 3, occasionally acquired (OA) = 2 and not acquired (NA) = 1. It has a Cronbach's alpha reliability coefficient of 0.78. Part D deals with information utilization of the respondents. Eighteen sources of information based on the work of Auster and Choo (1993), as well as the specific information that are likely to be used by the managers based on the literature review were listed. The response format are: very highly utilized (VHU) = 4, highly utilized (HU) = 3, occasionally utilized (OU) = 2 and never utilized (NU) = 1. It has a Cronbach's alpha reliability coefficient of 0.74. Part E deals with effective decision making of the managers. It is a 20 item effective decision making scale developed by the researcher with a response format of very true of me = 4, true of me = 3, occasionally true of me = 2 and not true of me = 1. It has a Cronbach's alpha reliability coefficient of 0.88.

The 153 copies of the developed questionnaire were administered to the respondents by five research assistants. The data collection lasted for nine months (December 2006 to August 2007). Out of the 153 managers, only 145 responded and the copies of their

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questionnaire were found valid for analysis, given a response rate of 94.8 percent. The questionnaire administration and retrieval from the respondents is presented in Table 1. Both descriptive and inferential statistical tools of analysis such as mean and standard deviation, correlation and multiple regression analysis were equally employed in analyzing the data. This is due to the nature of the study and research design used.

Table 1: Questionnaire Administration and Retrieval

Public Listed Company (PLC)	Number Administered	Number Retrieved	Rate
Allco Insurance	15	14	93.3
Cornerstone Insurance	12	12	100
Crusader Assurance	10	10	100
Linkage Assurance	11	11	100
Mutual Benefits Assurance	14	12	85.7
Niger Insurance	18	16	88.9
Prestige Assurance	12	12	100
Royal Exchange Assurance	13	13	100
Standard Alliance Insurance	15	14	93.3
UNIC Insurance	18	16	88.9
WAPIC Insurance	15	15	100
Total	153	145	94.8

**FINDINGS**

**Demography of Respondents**

The gender distribution of the respondents shows that 92 (63.5%) are males while the rest (53, 36.5%) are females. This implies that there are more male managers than female managers in the surveyed corporate insurance companies in Nigeria. Perhaps this may be connected to low career interest amongst Nigerian female graduates in insurance profession as compared to their male counterparts. Out of the 145 respondents, 50(34.5%) were single while 95(65.5%) were married. The ages of the respondents ranged between 30 and 52 years old, with the mean age of ( $X = 32.8$ ;  $SD = 3.4$ ) years. Their working experience ranged between 6 and 28 years with a mean of ( $X = 14.4$ ;  $SD = 3.6$ ) years. The distribution of educational qualifications of the respondents showed that 25 (17.2%) had Higher National Diploma plus Chartered Certificate in Insurance; 50 (34.5%) had Bachelor degree; 15 (10.4%) had Postgraduate diploma; and 55 (37.9%) had Master Degree in Business-oriented disciplines. This could not be far from government order on professionalism, and good corporate governance in insurance industry in Nigeria.

**Self-Efficacy of Managers**

Table 2 shows the mean and standard deviation scores of different items measuring the self efficacy of managers in Nigerian corporate insurance companies. The results show that the managers tend to exhibit high self-efficacy. This is indicated by the high mean scores for all 10 statements. The majority of the respondents indicated that they could always solve difficult problems if they try hard enough ( $X = 3.98$ ); they could find means and ways to get what they want even when they face opposition ( $X = 3.84$ ); they could easily stick to their aims and accomplish their goals ( $X = 3.96$ ); they are confident of their

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ability to deal with unexpected events efficiently (X = 3.97); they could find several solutions when confronted with a problem (X = 3.94); they believed that they could solve most problems if they invest the necessary effort (X = 3.92); and they are confident of their resourcefulness and ability to handle unforeseen situations (X = 3.90).

Table 2: Mean and Standard Deviation Scores of Self-Efficacy of the Respondents

	Item Statements	X*	SD	Variance
1	I can always manage to solve difficult problems if I try hard enough	3.98	0.123	0.015
2	If someone opposes me, I can find means and ways to get what I want	3.84	0.118	0.014
3	It is easy for me to stick to my aims and accomplish my goals	3.96	0.126	0.016
4	I am confident that I could deal efficiently with unexpected events	3.97	.0124	0.016
5	Thanks to my resourcefulness, I know how to handle unforeseen situations	3.90	0.129	0.017
6	I can solve most problems if I invest the necessary effort	3.92	0.128	0.016
7	I can remain clam when facing difficulties because I can rely on my coping abilities	3.88	0.114	0.013
8	When I am confronted with a problem, I can usually find several solutions	3.94	0.121	0.018
9	If I am in trouble, I can usually think of something to do	3.82	0.124	0.015
10	No matter what comes on my way, I'm usually able to handle it	3.84	0.120	0.014

\*Responses range from Strongly Agree (SA) = 4 to Strongly Disagree (SD) = 1.

**Types of Information Acquired in Decision-Making**

Table 3 shows the mean and standard deviation scores of types of information acquired in effective decision making of the respondents. Interestingly, the types of information acquired most in effective decision making by the respondents are population and demographic data (X = 3.98); trade regulations (X = 3.97); monetary and fiscal policies (X = 3.95); tax laws (X = 3.93); nature of competition (X = 3.93); exchange rates (X = 3.92); wages and salaries (X = 3.91); and crime rate (X = 3.90).

**Types of Information Sources Used**

Respondents used a variety of information sources comprising both people and prints (Table 4). The sources used most with mean scores of above 3.90 are customers (X = 3.99); company files (X = 3.96); colleagues (X = 3.96); trade literature (x = 3.95); subordinate staff (X = 3.93); textbooks or journals (X = 3.92); government publications (X = 3.92); reports (X = 3.91); and newspapers or magazines (X = 3.90).

**Table 3: Types of Information Acquired in Effective Decision Making of the Respondents**

Types of Information	X*	SD
Population and demographic data	3.98	0.125
Trade regulations	3.97	0.122
Monetary and fiscal policies	3.95	0.118
Tax laws	3.93	0.120
Nature of competition	3.93	0.114
Exchange rates	3.92	0.116
Wages and salaries	3.91	0.112
Crime rate	3.90	0.111
Energy availability/cost	3.88	0.109
Economic development	3.86	0.106
Information-flow infrastructure	3.85	0.104
Employment and skill levels of labour force	3.80	0.102
Foreign policies	3.76	0.101
Legal system	3.72	0.098
Literacy level	3.70	0.096
Life style	3.66	0.092

\*Very highly acquired, (VHA) = 4, highly acquired (HA) = 3, occasionally acquired (OA) = 2 and not acquired (NA) = 1.

**Table 4: Information Sources Used in Effective Decision-making of the Respondents**

Types of Information	X*	SD
Customers	3.99	0.312
Company files	3.96	0.310
Colleagues	3.96	0.306
Trade literature	3.95	0.302
Subordinate staff	3.93	0.302
Textbooks/Journals	3.92	0.301
Government publications	3.92	0.301
Reports	3.91	0.298
Newspapers/Magazines	3.90	0.296
Radio/Television	3.87	0.293
Internet/CD-ROM databases	3.86	0.291
Company library	3.82	0.289
Encyclopaedia	3.78	0.282
Internal memoranda/circulars	3.74	0.274
Business/professional associates	3.65	0.272
Competitors	3.60	0.268
Indexes/Abstracts	2.48	0.262
Theses/Dissertations	2.42	0.242

\*Very highly utilized, (VHU) = 4, highly utilized (HU) = 3, occasionally utilized (OU) = 2 and not utilized (NU) = 1.

**Managers’ Level of Effective Decision-Making**

The managers in corporate insurance companies in Nigeria tend to exhibit highly effective decision-making behavior (Table 5). This is premised on the high ratings given to items 5, 6, 20, 8 and 7 (>3.90), which indicated that decision-making was based after respondents have evaluated, analysed and interpreted reliable and sufficient information. The majority of respondents upheld the view that, reliable and sufficient information are collected and analysed to consider the best among alternative courses



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of actions (X = 3.98); they obtained feedback on the effectiveness of the decisions implemented through the collection, analysis and interpretations of information (X = 3.96); they would choose the best option based on the availability and utilization of information before making decisions (X = 3.96); they prefer to base their decisions on information other than pressures or influences (X = 3.95); they would give consideration to the appropriateness, easy flow, and access to information before making decisions (X = 3.94); they would review previous decision outcomes due to fresh, relevant and reliable information they had obtained (X = 3.92); and they make decisions based on current and timely information (X = 3.94).

Table 5: Effective Decision-Making of the Respondents

Item	Item Statements	X	SD
1	Most frequently, I identify problems that need to be solved in my organization	3.67	0.328
2	Before problem analysis, I always make the problem statement	3.76	0.318
3	I always state a clear objectives of solving the identified problem	3.84	0.216
4	Criteria are set by which alternative courses of actions are evaluated	3.80	0.118
5	Reliable and sufficient information are collected and analysed to consider the best among alternative courses of actions	3.98	0.222
6	The best option is chosen based on the availability and utilization of information before making decision	3.96	0.238
7	Decision is reached based on current and timely information	3.94	0.211
8	I usually prefer to base my decisions on information on other than pressures or influences	3.95	0.222
9	I give consideration in appropriateness, easy flow and access to information before making a decision	3.94	0.311
10	I realize that decision will vary depending on situation and various methods chosen	3.88	0.224
11	Information relevant to a decision is always stored in anticipation of using it in the future	3.86	0.226
12	Information on decision made is always communicated appropriately and timely by me.	3.82	0.220
13	I always consider the consequences of the decisions taken and implemented by me	3.82	0.119
14	Previous decision outcome can be reviewed due to fresh relevant and reliable information obtained by me	3.92	0.228
15	I hate taking a decision on guess work, rule of thumb and sentiments	3.72	0.212
16	I use both intellectual and creative thinking strategies at making decision	3.82	0.119
17	I always ensure that monitoring and evaluation system is put in place when implementing decisions reached in my organization	3.89	0.210
18	Material resources are always provided for effective execution of the decisions reached	3.70	0.232
19	Bureaucracy is out of place when executing decisions reached by me	3.68	0.186
20	I obtained a feedback on the effectiveness of the decisions implemented through the collection, analysis and interpretation of information	3.96	0.212

**Relationship between Effective Decision-Making, Self-Efficacy, Information Acquisition and Utilizations**

Table 6 indicates that the mean score of self-efficacy of the respondents is 19.98, while the mean score of their effective decision-making (EDM) is 22.86. Therefore, the test of the first hypothesis reveals that there is a significant relationship between self-efficacy and effective decision-making of the managers in corporate insurance companies in Nigeria ( $r = 0.821, p < 0.05$ ). However, the mean score of information acquisition of the respondents is 16.24, while the mean score of their effective decision-making is 22.86. The test of the second hypothesis also shows that there is a significant relationship between information acquisition and effective decision-making of the managers in the Nigerian corporate insurance companies ( $r = 0.652, p < 0.05$ ). The mean score of information utilization of the respondents is 18.78 and that of their effective decision-making is 22.86. The test of the third hypothesis shows that there is a significant relationship between information utilization and effective decision-making of the managers in corporate insurance companies in Nigeria ( $r = 0.784; p < 0.05$ ).

Table 6: Test of Significant for Relationship among Effective Decision-making, Self-Efficacy, Information Acquisition and Utilization of the Respondents

Variables	N	X	SD	EDM(r)	Sig. p
Self-Efficacy	145	19.9	4.38	0.821	0.008*
Information Acquisition	145	16.24	4.20	0.652	0.022*
Information Utilization	145	18.78	5.42	0.784	0.034*
Effective Decision-making (EDM)	145	22.86	6.18	1.00	-

\* Sig. at  $p < 0.05$

Nevertheless, to determine whether self-efficacy, information acquisition and information utilization will significantly predict effective decision-making of the respondents, multiple regression analysis was employed. Table 7 shows the summary of the results obtained.

Table 7: Regression Analysis of Self-efficacy, Information Acquisition and Utilization on Effective Decision-making of the Respondents

Source of variation	SD	SS	MS	F-ratio	Sig. p
Due to Regression	3	1684.82	561.61	5.56	0.028
Due to Residual	141	14,236.42	100.97		
Total	144				

Multiple R (adjusted) = 0.6596

Multiple R-squared (adjusted) = 0.4351

Standard Error of Estimate = 4.8824

The results from the above data analysis reveal that self-efficacy, information acquisition and information utilization have significant multiple correlation with effective decision-making of the respondents ( $R = 0.6596, p < 0.05$ ). Moreover, the test of the fourth hypothesis shows that self-efficacy, information acquisition and information utilization, when taken together significantly predict effective decision-making of the respondents ( $F = 5.56, df = 3.141, p < 0.05$ ). Further data analysis reveals that each of the

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independent variables, namely, self-efficacy ( $\beta = 0.7214$ ,  $df = 141$ ,  $t = 10.93$ ,  $p < 0.05$ ), information acquisition ( $\beta = 0.6824$ ,  $df = 141$ ,  $t = 11.57$ ,  $p < 0.05$ ), and information utilization ( $\beta = 0.7422$ ,  $df = 141$ ,  $t = 11.97$ ,  $p < 0.05$ ) significantly predict effective decision-making of the managers in corporate insurance companies in Nigeria. More so, self-efficacy contributes 61.58 percent (Beta in = 0.6158), information acquisition contributes 54.52 percent (Beta in = 0.5452) and information utilization contributes 65.22 percent (Beta in = 0.6522) to the prediction of effective decision-making of the respondents. The summary for test of significance of self-efficacy, information acquisition and utilization to the prediction of effective decision-making of the respondents is presented in Table 8.

Table 8: Summary of Test of Significance of Self-efficacy, Information Acquisition and Utilization to the prediction of Effective decision-making of the Respondents

Variable	$\beta$	S.E( $\beta$ )	Beta in	T	Sig. p
Constant	0.5218	0.048	-	10.87	0.042*
Self-efficacy	0.7214	0.066	0.6158	10.93	0.024*
Information acquisition	0.6824	0.059	0.5452	11.57	0.038*
Information utilization	0.7422	0.062	0.6522	11.97	0.016*

\* Sig. at  $p < 0.05$

**DISCUSSION OF FINDINGS**

Managers in business organizations like insurance companies are unique users of information, with specific information requirements relevant to their job functions that involve planning, decision-making, leading, organizing and controlling. In the process of taking rational business decisions, they acquire needed information from various sources. The general information which they often acquire cuts across economic, technological, political, socio-cultural and legal and these are based on the components of their business environment. This study revealed that the major types of information acquired for effective decision-making of the respondents were population and demographic data, trade regulations, monetary and fiscal policies, tax laws, nature of competition, exchange rates, wages and salaries, and crime rate. Jimoh (2006) asserted that managers in Nigerian financial institutions preferred and acquired information on macro-economic and demographic variables such as inflation rate, exchange rates, interest rate, national income, employment rate, wages and salaries, household budget, birth rate, death rate, morbidity, migration rate, fertility rate, government spending and private investments.

The study also found that the major information sources utilized in effective decision-making of the respondents were customers, company files, colleagues, trade literature, subordinate staff, textbooks/journals, government publications, reports and newspapers/magazines. This finding agreed with that of Ali (2000) who reported that managers in Nigerian banking industry sourced their information needs from the stockbrokers, customers, colleagues and company annual reports. Miller (2001) was of the opinion that business information could better be sourced from direct contact with customers, printed information documents, and electronic information services. Kobrin et al. (1980) reported that managers in American firms relied on their subordinates,

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colleagues, other firms, banks and personal observations during frequent trips to other countries. A study of planning managers of seven large United Kingdom companies by Lester and Waters (1989) revealed that traditional sources such as libraries were felt to be tedious and frustrating to use. They were also skeptical about the value of information brokering services, and they preferred raw to refined data. Further, there was great interest in the use of online information services and low use of published information sources. Wilden-Wulff (2003) asserted that insurance companies must utilize information and knowledge for business success and effective decision-making. Pezeshki-Rad and Zamani (2005) reiterated that information has its own importance to the individuals who are working in managerial or any other positions in the organisation to make right decisions.

One of the major findings of this study is that self-efficacy has a significant relationship with effective decision-making of the respondents. This implies that the higher the self-efficacy of the managers in corporate insurance companies in Nigeria, the more effective their decision-making. Abe (2007) submitted that self-efficacy is one of the essential ingredients that managers in business organizations need to make rational decisions and improve their job performance.

However, information and knowledge have become recognized as both the foundation of competitive advantage, the basis of strategic plans formulation, market capitalization and effective decision-making of companies, especially insurance companies in the developed countries. Information is being considered an economic resource or corporate asset, somewhat at par with other resources such as labour, material, capital and machines. For this reason, managers in business organizations such as corporate insurance companies are under pressure to acquire and use current, reliable, accurate as well as complete information to make effective decision. This study established that there was significant positive relationship between information acquisition and effective decision-making of the respondents. This means that there is a direct relationship between information acquisition and effective decision-making of the respondents. One can therefore argue that the more the managers in corporate insurance companies in Nigeria acquire information, the more they are effective in their decision-making. Ogunlade (2007) corroborates this finding when he asserts that information acquisition from reliable sources may facilitate effective decision-making and innovation of managers in financial institutions.

Moreover, the survival of corporate insurance companies in Nigeria depends on information acquisition and use for the provision of value-added services to their customers. Sawyer et al. (2000) reported that executive managers in medium sized manufacturing firms in Nigeria utilized information sources for improved business performance. In fact, managers in business organisations world-wide make intensive use of information sources to improve their job performance. This study also found that there was significant positive relationship between information utilization and effective decision-making of the respondents. In addition, one can deduce that the more the managers make use of information, the more they are effective in their decision-making. Past studies have equally revealed that there was significant relationship between information utilization and decision-making of managers in Nigerian commercial banks (Popoola 2006; Oyewusi 2008) and they operate in the same financial sector with managers in corporate insurance companies in Nigeria. By and large, information

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acquisition and information utilization were found to have significant multiple correlation or relationship with effective decision-making of the respondents.

However, the present study also found that self-efficacy, information acquisition and information utilization significantly predict effective decision-making of the managers in corporate insurance companies in Nigeria. This could not have happened by chance because about 43.51 percent of the total variability in the effective decision-making of the respondents is accounted for by a linear combination of their self-efficacy information acquisition and information utilization. Further investigation reveals that self-efficacy information acquisition and information utilization individually predict effective decision-making of the respondents. It must be made clear at this juncture that information utilization has the greatest percentage (65.22%) of relative contribution to the prediction of effective decision-making of the managers in corporate insurance companies in Nigeria than their self-efficacy and information acquisition. Popoola (2004) averred that the quality of decision arrived at by any manager in business organisation depends on the quality of information sources used. Self-efficacy, information acquisition and utilization could be regarded as the bedrock of effective decision-making of managers in the corporate insurance companies in Nigeria.

### **CONCLUSION AND RECOMMENDATIONS**

Decision making is the process of sufficiently reducing uncertainty and doubt about alternatives to give room for a reasonable or rational selection to be made from among them. Therefore, every decision made by the managers in corporate insurance companies is made within a decision environment, which may be viewed as the acquisition of information, alternatives, values and preferences available at the time of the decision. Information is a critical factor at every stage of the decision-making of managers in insurance companies. Managers in insurance companies render services to protect their customers from business risks and indemnify them in case of unfavourable events or losses. Be that as it may, managers in insurance companies need sufficient, accurate, complete, reliable, current and timely information for effective decision-making. Based on the findings of this study, it is recommended that the management of the insurance companies in Nigeria should consider self-efficacy, information acquisition and utilization for effective decision-making of the managers. As such, functional information systems should be established to supply much needed information for effective decision of managers; self-efficacy training should be given to all the available managers to improve their decision-making; and information literacy programme be organized to make all the managers information literate persons for effective decision-making.

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