www.irmbrjournal.com
International Review of Management and Business Research
September 2013
Vol. 2 Issue.3

Equipment Leasing and the Span of Control Management: Study of the Industrial Sector of Nigeria

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Abstract

Evidenced poor performance of the industrial sector, accounts for the low rates of the macro economic development in Nigeria. This is attributed to inefficiency in the management of the technology base of operation given excessive span of control in the units of operational levels. Hence the advocated delegation of technology base of operational to lessors. This work compared lease based and non leased based firms on the basis of profitability, Profit/Net Asset ratio and consumer satisfaction based on reported performance-(Audited Annual Account,) questionnaire and interviews as sources of data; and found that lease based firm have better level of efficiency firm higher profit/Net Assets ratio and higher rating in consumer satisfaction. Thus recommends that organizations should increase their span of control effectiveness by delegating the sourcing and management of their equipment base of operation as an operational unit to lessors.

Key Words: *Equipment Leasing, Lessor, Lessee, Span of Control, Profitability, Consumer Satisfaction, Marketing activity gap.*

Introduction

Lessors provide equipment leased by the lessees, as well supply maintenance services as ancillary offer-Adebisi (2003). The activity allows the lessee as a marketer the use of the derived services of the leased equipment as required for consumer satisfaction and (at) profit, as well releases fund that ought to have been tied to equipment acquisition for improved working capital management.

Firms as a matter of necessary must adapt to changes in consumers demands and to new sources of competition-Bateman and Snell (1999). This is especially so because products do not sell as long as the producers desire; given market competition. INNOVATION like Speedy delivery and Quality is technology based. These technologies are cheaper acquired through leasing compared to hire purchase or outright purchase. Thus leasing is an advocated option for consumer satisfaction at profit.

For maximized competitive advantage, consumer satisfaction and enhanced corporate profitability, the marketers must lease for low cost operations, speedy delivery, quality in offer and innovativeness, given reasonable span of control in operations. Thus, leasing ensures efficiency through reduced span of management responsibility referred to as span of management or control.

Theoretical Frame Work of this Study:

Globally, competition is inter and intra industrial, thus it is generic. Ability to satisfy the customer as market target is an influential factor in the drive to create positive difference between marginal revenue and marginal cost as source of profit.

A basic approach to cost reduction in organizations all things being equal is the achievement of the "limited span" concept through decreasing effectiveness per person (units of operation) supervised and increasing effectiveness per person supervised for margin of safety of constant effectiveness per person (units of operation) supervised-Van Fleet and Bedevian (2001). Constant effectiveness per person (units of operation) supervised often referred to as limited span or optimum span discourages "too large" or "too small" number of persons or units of operation under each supervisor-Rue (1974) and Reid (1970).

To achieve this "optimum span" of management (control) responsibility, it is advocated that organizations in technology based productive activities should increase their span of control effectiveness through reduction of member of operational units under the managers' control through dependency on lessors for productive technology/equipment for derived services of equipment.

This organizational view of span relationships-House and Miner (1969), Pondy (1969), Business Week (1972) and 1973) and Scott (1972), believe is possible based on corporate ability at creating harmony between administrative cost, productivity, effectiveness of supervision and employee's job satisfaction for overall corporate objectives (effectiveness) actualization-Harrison (2004) and Hendrichs (2001). This work is of the opinion that leasing of production technologies will reduce reasonably the number of operational units under the supervision of the manager, thus effectiveness is enhanced.

Objective of the Study:

This work has the objective of showcasing equipment leasing as a strategic option for enhanced consumer satisfaction and corporate profitability based as the concept and philosophy of corporate span of management (responsibility) control.

Significance of the Work:

Literature abound on the theory and practice of managerial span of (responsibility) control-Albanese (1975). Baker and Davis (1957), Bell and McLaughlin (1976), Cook, Adcock and Charlesworth (1966), Dale (1965), Edmunds (1999), Hellriegel and Slocum (1974), Johnson (1974), Kaufman and Seidman (1970) Koontz (1962), Leavitt and Whisler (1958), Mackenzie (1974), Najiar (1971), Quchi and Dowling (1974), Park (1965), Thompson (1974), Urwick (1974), Van Fleet (1974) and Woodward (1965). These literature dwell on the controversy of span and number of persons (operational units) in superior – subordinate relationship given defined work environment; differences and similarities in meaning between span of managerial responsibility and span of management or control; span of supervision and span of authority or responsibility.

None of these literature relates span of (management) control with delegation of the management of corporate equipment/technology base (unit) of operations to the third party -lessor as a means of reducing the scope of management responsibility for enhanced effectiveness, corporate customer satisfaction and profitability.

The satisfaction of this existing gap makes this work significant.

Hypothesis:

This research work is built on a single hypothesis stated in Null form as:

H0: Adoption of equipment leasing option as a span of management control measure does not enhance corporate effectiveness, consumer satisfaction and profitability.

Literature:

Equipment Leasing

Leasing, whether finance or operational based, has service background, thus equipment is not considered the core product rather the source of derived services- Oko and Ogwo (2012). Leasing as an easy access to assets required for operation in the realm of marketing as basis for spurring societies to economic development through growth is obviously the need of the industrial sector of Nigeria-Olusoga (2004) and Oko and Anyanwu (2002). This is imperative now as they exist constraints in capital formulation for industrial operation, as traceable to the low per capita income of Nigerians-World Development Report (2010).
Leasing is required more, now in Nigeria following the prohibition of off shore guaranteed loan facilities by companies operating in Nigeria, as means of easing the mounting debts burdens, and the instability of the operational characters of the foreign exchange market; that is currently causing increase in the price of imported technology and equipment in Nigeria –Oko and Anyanwu (2012).

The associated benefits of leasing especially in the developed economies of United States, Japan and United Kingdom have led to the growth in size of the market through consumer satisfaction and profit enhancement of most small and medium scale firms-Porter (2006), hence it is important that the Nigerian firms in the banking and finance, telecommunication, transportation, aviation, food and drink; entertainment industries among others should be encouraged to adopt the strategies, methods, principles and policies of leasing as means to enhancement of efficiency, especially based on the concept of span of managerial (responsibility) or control

Span of Control

Span of control often referred to as span of management concept-Van Fleet (1974a and 1974b) creates relationships between internal variables (resources) of the organization and the corporate attainable effectiveness, as it does not consider as the crux of the issue, the number of sub-ordinates or operational units under the supervision of an officer. The idea is to identify the existing functions as vital for the actualization of corporate objectives and to evaluate for effectiveness, the actualization of the objectives given the relationships that exist between functional authorities of the organization.

Authorities in management science argue that a positive relationship exist between productivity and consumer satisfaction –Bateman and Snell (1999), Collins and Porras (1994) Robey and Sales (1994) and Morgan (1996). However, research results show a non-linear functional relationship between the effectiveness of supervision and the number of sub-ordinates or units of operation in the span of a supervisor, -Rudin and Nemirouky (1983), Tokhonirov(1996), Sultan (1993), Kerloff (1991) Pappas (1989) and Press and Flanneoy (1992). This non-linear relationship is attributed to geographical dispersion between the supervisor and supervisee, or units of operation and the managers' capacity; capacity of the worker, volume of other tasks involved and the required administrative task-Eliott (1988), en.wikipedia.org/wiki/span-of-control (2013) and practical management (2008-2010).

Evaluation of corporate work effectiveness is influenced by at least three basic parameters of cost, productivity and customer satisfaction-Van Fleet and Bedeian (2001), Bommer, Johnson, Rich, Pedsakoff & Mackecnzic (1995), Clarkson (1995), Donaldson (1995), Douma (1995), Greenley (1995), Heuvel (1995), Hubbard and Bromiley (1995) Szwajkawski and Figleevice (1995), Wood and Jones (1995), Dennison and Young (2000), Denson and Mishra (1995) and Denison and Neale (1996). Literature show that corporate effectiveness is negatively affected by high cost of operation, but enhanced productivity and its resultants effect of customer satisfaction are indices of corporate effectiveness. Effective supervision following limited span of control that is achievable based on the adoption of lease principles and strategies that eliminate (reduce) cost reasonably, has the ability of enhancing productivity and customer satisfaction-Harrison (2004).

It is evidenced based on corporate operations that administrative costs are always on the increase given increase in the number of levels of organization and the number of levels of organization influences reasonably the number in the span of control-Visser (2000) and Hendricks (2001). Based on this analysis, the delegation of the management of the equipment base of operation of a firm based on the organizations' decision to depend on the lessor has the ability of reducing the number of levels of organizations, the span of control, the administrative costs as wastes are eliminated, hence effectiveness is high as well as customer satisfaction and corporate profitability. Findings show that job satisfaction as an index of employee's effectiveness is influenced by effectiveness of supervision but more by the relative organizational level of units under the control of the supervisor. Thus delegation of equipment/Technology unit and its management to the lessor ensures that the supervisor operates within a reasonable and relative organizational level of units.-all things being equal www.analysticech.com/mb021/comm..struc.htm (1997), Harrison (2004) and Peele (2012), that ensures effectiveness.

Methodology:

This work is designed to re-position equipment/technology management by lease, as a delegatable option in corporate drive for the adoption of span of management (responsibility) control philosophy. Thus compares by evaluation for effectiveness or otherwise firms on the same level/number of span of control functions, some delegating equipment management and others, other functions. Bases of comparison are cost competitiveness, effectiveness (quality of offer, speed of delivery and reliability of offer among others), and customer satisfaction.

Firms in the breweries; building materials; food, beverages and tobacco; petroleum marketing, conglomerates, construction, chemical and paint, health and banking industries serve as scope of study, especially those that trade on the floor of the Nigerian stock market, with a minimum of five (5) year post incorporation operation. Data for evaluation were sourced based on the evaluation of corporate annual reports of the selected firms, questionnaire, telephone contacts and interviews. Sample frame was determined based on yard mathematical notation of:

$$n = \frac{N}{1 + N\ (\%)^2} \quad (1)$$

Where N = population size
n = same size and
% = permissible level of sampling error

At a permissible sample error level of 10%, operational measures of variables include:

Span of control management based on equipment lease does not enhance corporate effectiveness, consumer satisfaction and profitability as hypothesis is tested based on the fact that samples were drawn from the same population (ρ_1 $\rho_1 = \rho_2$) the 't' score given by:

$$t = \frac{0^2_1 - 0_2}{/ \frac{S^1_2}{n_1} + \frac{S^2_2}{n_2}} \quad (2)$$

The distribution of 't' is student distribution with $V = n_1 + n_2 - 2$ degrees of freedom

Decision Criterion:

Decision on the acceptance or otherwise of hypothesis tested was based on:

If 't' calculated > 't' % df
Reject H_0
If otherwise
Accept H_1

(Mathematical notations 1 and 2 were sourced from Sgiegel MR (1961) Shaum's Outline Series: Theory and Problem of Statistics. New York, McGrew Hill International Book Company.)
The Likert rank order scale –Fubura and Mguni (1995), Aserenko (2010) and Fairs, Neil, Phillip and David (2010) was adopted in the assessment and comparison of consumer satisfaction between lease and non lease based firms.

Analysis:

The data generated based on the audited accounts of Public Sector firms of study as well as those generated based on administered questionnaire and interviews are analyzed thus:

Analysis for Effectiveness based on Profit /Net asset ratio for lease and non lease based firms.

Let lease based and non lease based firms be represented by x_1 and x_2 respectively

Table 1: Lease Intensive and Lease Non-Intensive Profit /Net Asset Ratio Comparison

(lease Intensive Firms) x_1	x_2 (Non Lease Intensive Firms)
0.628	-1.155
0.289	0.001
0.281	0.001
0.174	0.001
0.211	0.032
1.556	0.138

For the purpose of this analysis, the projected hypothesis is re-stated thus in null and alternative:

H_0: There is no significant difference between the rate of effectiveness based on profit/net asset ratio between lease based and non lease based firms.

H_1: There is significant difference between the rate of effectiveness based on profit /net asset ratio between lease based and non lease based firms.

This is represented thus:

H_0: $\mu_1 = \mu_2$
H_1: $\mu_1 \neq \mu_2$

The test is at 0.05 level of significance while df = $n_1 + n_2$ - = 10
The computation for the variables x_1 and x_2 is presented in table 8.2

Table 2: Computation for Effectiveness Lease & Non-Lease, Net Profit /Net Assets Ratio

Lease Based		Non-Lease Based	
X_1	X^2_1	X_2	X^2_2
0.628	0.39438	-1.155	1.334025
0.289	0.083521	0.001	.000001
0.281	0.078961	0.001	.000001
0.174	0.030276	0.001	.000001
0.211	0.044521	-0.032	.001024
0.556	2.421136	0.138	.019044
3.139	**3.052799**	**0.141**	**1.354096**
$0_1 = 0.523267$	**$0_2 = 0.0235$**		**$(3X^2_1 - (3X_2)^2$**
	$S_1 = 0/7755$		
	$S_2 = 0.5197$		

Substituting for the computation for 't' test statistic for difference of means using mathematical notation 2

$$t = \frac{0_1 - 0^2_2}{/\frac{s^2_1}{n_1} + \frac{s=^2_2}{n_2}}$$

$$= \frac{0.523267 - 0.0235}{/(\frac{60930.77553565}{6})^2 + (\frac{947.0.5197}{6})^2}$$

't' cal = 3.4419

The computed 't' statistic is 3.4419 and the table value at 0.05 level of significance and 10 degrees of freedom, the critical value is 1.812.

Accepted is that there is significant difference between the mean effectiveness of lease and non lease based firms, based on profit/net asset ratio, thus lease based firms, based on the concept, theory and practice of span of corporate managerial responsibility, show higher level of effectiveness compared to non lease based firms.

Analysis for Profitability:

Lease based firms compared with non lease non based firms on the basis of profitability

Let lease based firms and non lease based firms be represented by X_1 and X_2 respectively

Table 3 Value for Profitability Assessment

X_1 Lease Intensive	X_2 Lease non Intensive
3.48b	149.438m
5.192b	695.625.625m
(-1.5875b)	104.522m
74.6925b	321.103m
118.472m	14.0755m
195.06m	**29.97b**

The projected hypothesis as base of this analysis is restructured in null and alternative forms as follows:

H_0: There is no significant mean difference in the rate of profitability between lease based firms and non lease based firms.

H_1 There is significant mean difference in the rate of profitability between lease based firms and non lease based firms.

These hypotheses are presented thus:

H_0: $\mu_1 = \mu_2$
H_1: $\mu \neq \mu_2$

The test is presented at 0.05 degree of significance with df = $n_1 + n_2 - 2 = 10$

The computation for the X_1, X_2, X^2_1 and X^2_2 variables is presented in table 8.4

Table 4: Computation for Profitability Assessment; Lease Based and Non-Lease, Based Firms

X_1	X^2_1	X^1_2	X^2_2
3.480,000	12.1104	.0.149438	0.0209
5.192,000	26,9568	.695625	.4839
-1.587.500	2.5202	.104522	.0.109
74.692500	5578.9695	.321103	.01031
.118472	0.0140	.014076	.0001
.195060	0.0380	29.970000	889.7600
83.678032	**5620.6089**	**31.150242**	**890.3789.**

$\frac{\sum X_1}{n}$ = **13.946338**

$\frac{\sum X_2}{n}$ = **5.191704**

S_1 = **29.8449**

S_2 = **12.0717**

Substituting to determine 't' for profitability means difference, the mathematical notation 2 is adopted thus:

$$t = \frac{0_1 - 0_2}{/\frac{S^2_1}{n_1} + \frac{S^2_2}{n_2}}$$

$$= \frac{13.946338 - 5.191704}{/\frac{(129.8444)^2}{6} \quad \frac{(12.0717)^2}{6}}$$

$$= 0.6661$$

The computed't' statistic is 0.6661, the table (critical) value at 0.05 level of significance and 10 degrees of freedom is 1.812.

Based on these values, no significance difference exist between the level of profitability of lease based firms and and non lease based firms. However, further inquiry into this no significance difference situation in profitability between the sets of firms in the computation shows that efficiency in the management of customer loyalty among lease based firms is lower inspite of the higher level of turnover among these lease based firms

Analysis 3

For the assessment of the level of consumer satisfaction, the Likert rank order scale was adopted-Faris, Neil, Phillip and David (2010), Fubura and Mguni (1995), Serenko (2010), with variables considered important shown in table 5.

Over all satisfaction

Level of satisfaction based on leased and non lease based firms' cooperation with Agents and Middlemen given specific transaction are **6.85** and **6.15** respectively**.**

Based on the above assessment on consumer satisfaction, the lease based firms and non lease based firms have mean score of 7.28 and 6.31 respectively and for overall satisfaction based on the services of marketing intermediaries, the scores are 6.85 and 6.15 respectively, more in favour of lease based firms.
The decision is to accept that the level of consumer satisfaction for lease based and non lease based firms is high as scores are respectively above 5/10 (50%); accepted mean score.

It is however important to note that lease based firms are better in performance and more effective in the rendition of customer satisfying services than the non lease based firms with their mean score of 7.28 and 6.31 respectively.

Table 5 Computation for Consumer Satisfaction:

Latent Variables Questions that formed basis on Measurement	Lease Based (Mean Value)	Non-Lease based (Mean Value)
▪ **Delivery of Service/ Quality:**		
• Reliability in delivery time	8.40	7.25
• Quality of the product packaging when delivered	6.50	5.45
• Transfer of product to customer	6.15	4.75
• Quality of the product at delivery	7.25	6.25
• Reception of the proper invoice/ delivery papers	7.45	5.75
• Kindness and friendliness of the delivery personnel	6.55	5.55
• Appearance of delivery personnel	7.75	6.80
▪ **Installation Service Quality:**		
• Accurate information about time of installation	6.95	6.45
• Time elapsed between delivery and installation	5.45	5.40
• Attractiveness of installation personnel for the evaluation of damages	7.85	7.25
• Flawless of the installation	8.90	7.50
• Kindness and friendliness of the installation personnel	7.75	6.75
• Advice and installations given by the technician/others	8.0	6.90
Mean Score	**7.28**	**6.31**

Findings:

Findings of this work include:

- Firms that are involved in the use of lease services as a means to effectiveness in span of management responsibility (management) control assign the duties of the management of their equipment and technology base of operation to the 3 (third) party, the lessor. This arrangement saves the lessee the problems of contending with the inefficiency in in-house equipment /technology maintenance and management, hence cost of operation is reasonably reduced and efficiency and effectiveness are enhanced.

- Leasing affords the lessee the opportunity of making use of the most current technology of operations and the problems associated with the management of scraps as a fall out of obsolescence in technology are avoided.

- Firms in leasing enjoy high asset liquidity ratio as funds are not tied to fixed assets, thus responsiveness to investments and flexibility in decisions are high, hence, effectiveness is more guaranteed.

- Findings show that lease based firms have additional market power in the disposal of their offer. This assertion is supported by Woldman (1996) and Hendel and Lizzeri (1999).
- Adoption of leasing as an option for corporate span of (control) responsibility management equips the lessee for cost competitiveness in operation given created competitive advantage in the face of good customer relationship. This is made possible as products are qualitative and affordable, given managerial innovativeness in the midst of reliability of services, speedy delivery and good practice of guarantee and warrantee.
- It is also established that the guaranteed increase in consumer/customer satisfaction results to enhanced customer retention, acquisition of new customers and built and developed customer referral programmes.
- The study shows that both the lease based and non lease based firms have poor customer loyalty management programmes, thus both groups of firms show paucity in ability at converting enhanced turnover (market shares) based on increased customer loyalty to enhanced corporate profitability.

Discussion of Finding:

Equipment Leasing, Span of Control and Corporate Profitability:

Many projects fall by the way because of managerial incompetence, lack of strategic planning and failure to recognize changes in the environment-Abashiya (2005). Rather than employ competent hands, some chief executive manages all aspects of the business directly. Equipment management and maintenance is an area of (business) marketing operation that should be managed by competent hands-Lessors; as it is the current trend that emphasis be laid on core competencies. It is cost-effective for firms (oil and gas inclusive) to concentrate on their core areas of expertise and contract out their equipment needs-Ndu (2004). The advantage of this arrangement is centered on span of control efficiency, as the responsibility of maintaining the leased assets lays with the lessors, (as artificial or natural persons) who nevertheless have little or no control over the rate and mode of usage of the equipment-ELAN (2005).

Generally, lessors provide the equipment to be leased and supply other ancillary services as well –Adebisi (2003). Lessors purchase, manage and re-markets equipment as part of the lease process, thus allow the marketer the use of the derived services of the equipment to satisfy the consumers at profit through efficient operations based on improved span of control in operation.

Span of control, rather span of management responsibility is simply the number of sub-ordinates (units) of operation that an executive supervises. In this case, special reference is made to functional areas under the supervision of the executive. Considering the management relationship multiplied in geometric progression, it is argued that no leader (Chief Executive) can supervise effectively the interactions and relationships more than, at most, six immediate sub-ordinates (units of operations) whose activities he must integrate and to whom he has delegated appropriate responsibilities-Graicusnas (1947), Flinchbaugh (2010), strategy + business 2012, Thrasher (2008), and blog.orgrue.com (2013).

Based on the above, there should be a limit to the number of functional units (sub-ordinates) that should report to one superior as supervision of too many units of operation (people) may lead to troubles-Ibekwe (1984). These troubles degenerate to cost inefficiency and ineffectiveness, hence loss rather than profit is recorded. In the competitive market environment, the growth and change in product-line characteristics in both consumer and industrial products have meant that the manufacturing plants have had more items to make and the distribution systems have had more items to handle and stock-Magee (1969). More items mean lower volume per item and correspondingly higher unit handling inventory and storage costs. These costs as direct and indirect include damages in transport and delay in stock movement, as well as provision of warehouse services.

Developments in the area of distribution logistics in marketing are technologically based and include containerization, high speed computers and communication equipment, new types of trailers equipment

suitable for both over-the-road and local delivery services; air freight, new and more automatic materials-handling equipment, integral motor carriers, distribution tariffs and so called cube rate-SmyKay (1969). Frequently, it is possible to reduce logistics (distribution) costs through the use of one or no more of these innovations. It must however be stated that most marketing organizations given dearth of fund may not afford these technologies. Others that can afford them tie down their capital in the equipment, thus it is advocated that the specialist functions in equipment management be delegated to lessors hence ensure effectiveness and efficiency through reduced span of control, plant and warehouse site selection, order processing, marketing forecasting and customer services.

If all these marketing related functions and their equipment base as functional areas are under the complete control of an executive (responsible for cost and accountable for results), the span of control will be excessively large and efficiency will be low. For profitable marketing operations through consumer satisfaction based on quality of span of control, the use of normal procedure to cut costs and raise efficiency of leasing of transportation and warehouse and warehousing facilities/equipment and other technology (equipment base of operation will be highly favorable, while other functional areas are in-house managed based on staff competence, consumer satisfaction is enhanced at low cost compared with competitors' offer and profitability is improved.

Equipment Leasing for Consumer Satisfaction

Consumer satisfaction is a function of perceived performance and expectations, thus patronage is higher and assured as firms are perceived to offer the higher customer delivered value –Kotler (1997). Satisfaction is evaluated based on the qualities of an offer. These qualities may include reliability, durability and performance of the tangible offer and the accompanying services-delivery, training, maintenance, responsiveness and knowledge-ability of key personnel.

The cumulative benefits of leasing is lessee's enhanced efficiency, sequel to improved span of control in operation.

Lessees based on the theory of span of (management) control enjoy cost effectiveness in operations as they concentrate on their core areas of expertise and contract out their equipment needs-Ndu (2004). This, reasonably reduces the lessees implicit cost incidences in technology acquisition and management.

Equipment leasing that achieves span of control efficiency, reduces the number of operational units under the control of an operational leader in marketing. Thus saves the organizations the problems of cost inefficiency and ineffectiveness in the changing competitive market environment. It is argued that developments in the field of marketing especially the sub areas of distribution and logistics and communication call for the use of resources often outside the competent management of the marketer, hence advocates opine that these specialist functions in equipment management be delegated to the lessors as a strategy to achieving efficiency through reduced span of (marketing management) functions problems.

This work thus adopts the theory of span of control under the term "span of marketing functions control" with equipment managements as basic function that must be subject to external rather than in-house management for enhanced consumer satisfaction at low cost compared with straight ownership or hire purchase of (technologies) equipment that makes management directly involved in equipment and technology maintenance and management.

In the area of core product of lease offers, lessees' enhanced satisfaction will be ensured based on completeness of offer as lease bundles services of warranties, guarantees, maintenance, supplies, soft wares, consultancies and replacement alternatives are assured.

Marketing, based on lease strategy equally ensures timely and qualitative evaluation of customers' level of satisfaction and appropriate actions taken for efficiency in lease based firm's consumer cognitive dissonance management.

Sequel to the above, the model in figure 1 showing the interplay of equipment leasing, consumer satisfaction and enhanced corporate profitability is advocated for. This model has equipment lease 'services' as fundamental (basic activities). These services are offered based on integrated professional marketing activities hither-to absent in equipment lease marketing, following inadequacy in span of management responsibility hence the gap.

These imbedded marketing activities in equipment lease service marketing enhance the value of lessees' offer based on affordability; innovativeness; qualitativeness; reliability and speedy delivery of products secured on guarantee and warrantee services.
The discourse above is represented in diagram thus:

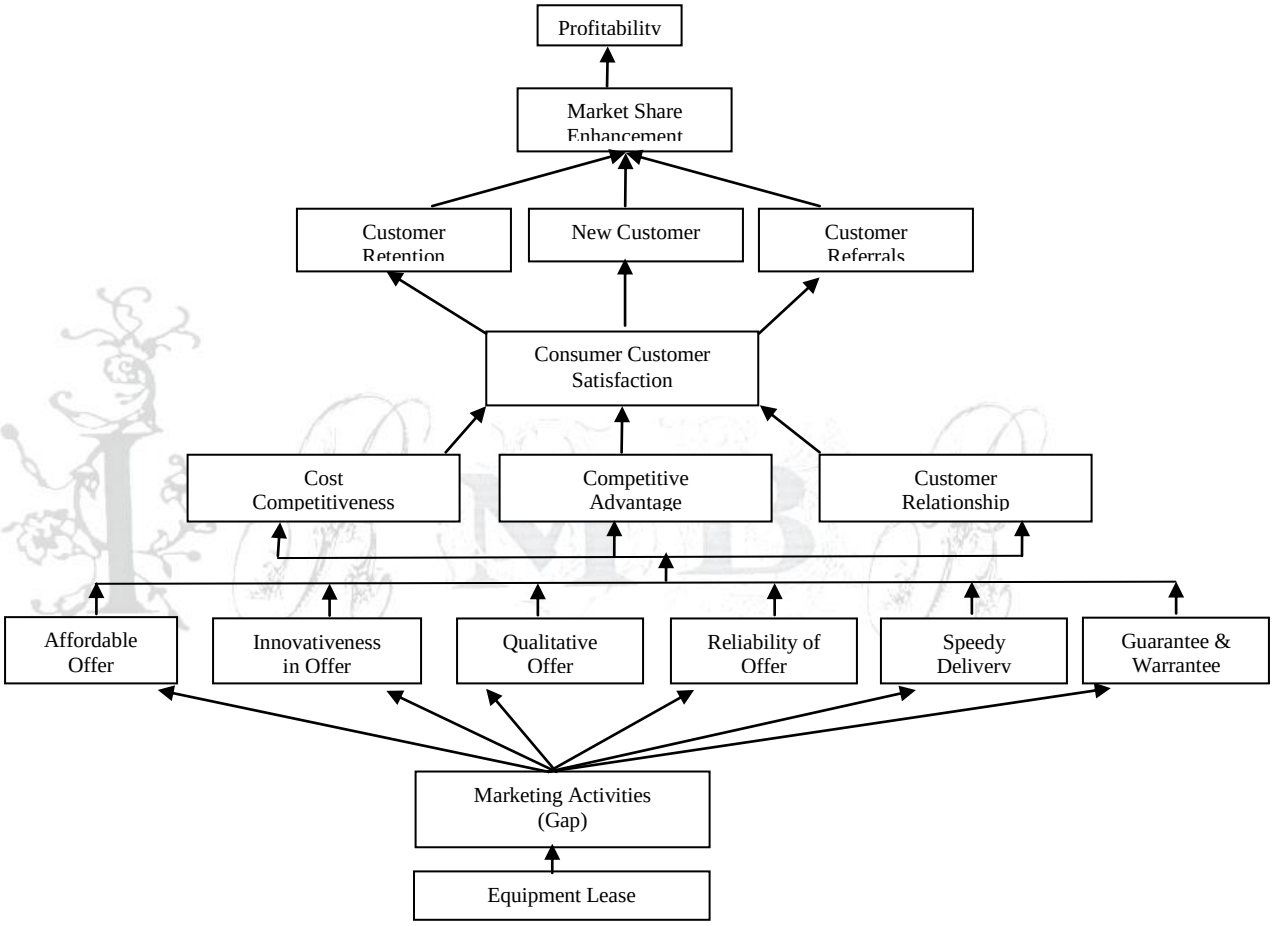

Figure 1
Span of Management (Responsibility) Control and Equipment Leasing

The value creative characteristics in the lessees' market offer in synergy ensure that the services consumers as lessees are more equipped and positioned based on cost competitiveness of offer, competitive advantages and quality industrial and ultimate consumer relationships, to achieving consumer satisfaction compared to competitors in the direct management as non lessors rather than the management through the delegation of their source of (acquisition of) productive (technology) equipment to lease firms.
The synergy advantages of cost competitiveness in general and quality customer relationship of the lessees compared to non-lessees that result in enhanced consumer satisfaction, lead to lessees' enhanced market share. This is as a result of the ability of lease based organizations to attract and retain customers based on competitive advantages. Hence customer referrals rate is high among lease based firms compared to non-lease based firms.

Lessees with the accumulative and synergy benefits of leasing, enjoy high ability to penetrate markets and expand market shares in existence; hence, experience higher market turn over compared to non-lessees. These marketing enhancing advantages of equipment lease ensure corporate profitability sequel to reduced customer satisfaction cost, higher customer retention and higher market share expansion propensity.

Conclusion and Recommendation:

Given the above discourse and associated ineffectiveness in cost, time and manpower with self managed productive technologies and equipment, as impact in the industrial growth of the Nigerian economy; positioning and re-positioning of equipment lease services as a delegatable function in the span of management (responsibility) control is the viable alternative to the achievement of industrial growth through improved capacity utilization based on improved industrial liquidity and working capital ratio respectively as benefits of effective third party equipment management and maintenance delegatable function of the span of control management as solution to (means to the crux) the problems of economic development in Nigeria.

To maximize the associated benefits of "span of marketing function control" based on leasing, the equipment lease service marketing gap as challenge needs to be identified and addressed.

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