

PUBLIC PRIVATE PARTNERSHIP AND RESILIENCE OF COMMERCIAL BANKS IN SOUTH-SOUTH, NIGERIA

Okafor, N. N.

Department of Business Administration, Faculty of Administration and Management,
Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria
Email:noris.okafor@rsu.edu.ng

Hamilton, D. I.

Department of Business Administration, Faculty of Administration and Management,
Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

Bagshaw, K. B.

Department of Business Administration, Faculty of Administration and Management,
Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

and

Wechie, I.

Department of Business Administration, Faculty of Administration and Management,
Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

ABSTRACT

This study investigated the relationship between Public Private Partnership and Organizational Resilience (measured by risk management, adaptive governance, and learning capacity) of Commercial Banks in South-South Nigeria. Grounded in dynamic capabilities, agency, and network theories, the study adopted a positivist paradigm, employing a cross-sectional survey of 78 managers from 26 banks via census sampling. Primary data collected through validated questionnaires (Cronbach's alpha >0.7) were analyzed using descriptive statistics and Spearman's correlation. Results revealed very strong positive relationships between Public Private Partnership and resilience ($\rho=0.984$). The study concludes that Public Private Partnership is pivotal to enhancing bank resilience, recommending policies to formalize partnership frameworks. Policymakers should prioritize regulatory reforms to accelerate Public Private Partnership implementation, while banks should invest in monitoring tools to evaluate partnership efficacy. These measures are critical for sustaining resilience in Nigeria's dynamic financial sector.

Keywords: Public-private partnerships, organizational resilience, risk management, adaptive governance, learning capacity

INTRODUCTION

The study examines the importance of organizational resilience for commercial banks in Nigeria’s South-South region, operating in a volatile, uncertain, complex, and ambiguous (VUCA) business environment. Resilience defined as the ability to anticipate, adapt to, and recover from disruptions has become crucial due to challenges such as economic instability, technological advancements, and the COVID-19 pandemic, which exposed vulnerabilities in traditional banking models. Scholars identify three key dimensions of resilience anticipation, coping, and adaptation as essential for firms to navigate risks and capitalize on opportunities. In Nigeria’s South-South, banks face unique challenges, including regulatory pressures and infrastructural deficiencies, which necessitate innovative strategies beyond conventional risk management and digital transformation. Public Private Partnerships (PPPs) emerge as a strategic approach to enhancing bank resilience by fostering collaboration between government agencies and private financial institutions. These partnerships help address infrastructural gaps, expand financial inclusion, and mitigate systemic risks by leveraging public-sector resources such as credit guarantees, developmental funds, and policy incentives. However, PPP implementation often encounters obstacles, including bureaucratic inefficiencies and conflicting stakeholder interests, highlighting the need for robust governance frameworks to ensure effectiveness. While existing research extensively covers resilience and PPPs separately, there is a gap in understanding how PPPs specifically contribute to the resilience of commercial banks in Nigeria’s financial sector.

This study aimed to bridge that gap by investigating the role of PPPs in strengthening bank resilience through improved risk management, adaptive governance, and crisis communication. In line with the purpose of the study, the, the specific objectives were to;

- i. To examine the association between Public Private Partnership and Risk Management Capabilities of commercial Banks in South, Nigeria.
- ii. To examine the association between Private Partnership and Adaptive Governance Structures of commercial Banks in South, Nigeria.
- iii. To examine the association between Private Partnership and Learning capacity of commercial Banks in South, Nigeria.

Conceptual Framework

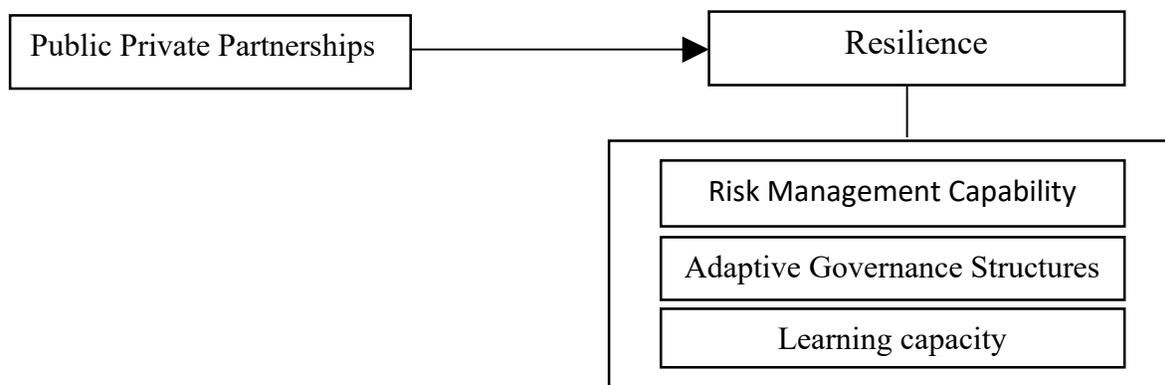


Figure 1: Conceptual framework of Public Private Partnership and Resilience

Source: Researcher’s desk, 2024 (Predictor variable Browning, Beyer, & Shetler; Criterion Variable, Hopkin, 2017, Seeger, Sellnow, & Ulmer,2016).

Research Questions

- i. What relationship exists between Public Private Partnerships and Risk Management Capability of Commercial Banks in South-South, Nigeria?
- ii. What relationship exists between Public Private Partnerships and Adaptive Governance Structures of Commercial Banks in South-South, Nigeria?
- iii. What relationship exists between Public Private Partnerships and Learning Capacity of Commercial Banks in South-South, Nigeria?

Research Hypotheses

- H₀₁:** There is no significant relationship between Public Private Partnerships and Risk Management Capability of Commercial Banks in South-South, Nigeria.
- H₀₂:** There is no significant relationship between Public Private Partnerships and Adaptive Governance Structures of Commercial Banks in South-South, Nigeria.
- H₀₃:** There is no significant relationship between Public Private Partnerships and Learning Capacity of Commercial Banks in South-South, Nigeria.

LITERATURE REVIEW

Theoretical Foundation

The base line theories that were used to underpin the nexus between public private partnership and resilience of commercial Banks in South South, Nigeria are the dynamic capability theory, agency theory and the Network theory.

Dynamic Capabilities Theory

Dynamic Capabilities Theory (DCT) addresses how firms adapt to rapidly changing environments by integrating, reconfiguring, and leveraging resources moving beyond the static focus of the Resource-Based View (RBV). Developed by Teece, Pisano, and Shuen (1997), DCT emphasizes strategic agility, innovation, and adaptability, making it particularly relevant for industries like banking, where technological disruptions and regulatory shifts demand constant evolution. Scholars such as Eisenhardt and Martin (2000) and Helfat et al. (2007) expanded on DCT, identifying key processes like strategic decision-making and alliance formation as critical dynamic capabilities.

Agency Theory

Agency Theory examines conflicts arising when principals (e.g., shareholders) delegate authority to agents (e.g., managers), focusing on issues like information asymmetry and goal misalignment. Originating from Jensen and Meckling (1976), the theory highlights moral hazard and adverse selection as key risks, mitigated through governance mechanisms like performance-based incentives and monitoring systems. In banking, these controls ensure managerial accountability, particularly in strategic alliances where misaligned interests could undermine resilience.

Network Theory

Network Theory analyzes how interconnected relationships (nodes and ties) influence organizational behavior, emphasizing the strategic value of strong ties (trust-based) and weak ties (information-rich). Pioneered by Granovetter (1973) and expanded by Burt (1992), the theory explains how banks leverage alliances for resource sharing, innovation, and crisis resilience. In Nigeria's South-South region, banks benefit from network positioning—accessing fintech partnerships for digital solutions and collective regulatory navigation.

Conceptual Review

Public-Private Partnerships

Public-Private Partnerships are collaborative frameworks between government and private entities designed to deliver public services and infrastructure projects efficiently. These arrangements leverage private sector innovation, capital, and operational expertise while maintaining public accountability through structured contracts that define risk-sharing, performance metrics, and long-term obligations (Bovaird, 2021; Cheung et al., 2022). PPPs serve diverse purposes, from large-scale infrastructure (e.g., transportation, healthcare) to financial sector initiatives, optimizing resource allocation and distributing risks between sectors. Models like Design-Build (DB),

Resilience

Organizational resilience is the capacity to anticipate, adapt to, and recover from disruptions while leveraging challenges for growth (Lengnick-Hall & Beck, 2019). Scholars emphasize its multidimensional nature: Sutcliffe and Vogus (2016) highlight rapid recovery and minimal dysfunction, while Hamel and Välikangas (2021) stress thriving amid volatility. Key dimensions include adaptability (Williams et al., 2017), proactive risk management (Linnenluecke & Griffiths, 2019), and innovation through learning (Hamel & Välikangas, 2021). In turbulent business environments, resilience enables firms to pivot strategies, mitigate risks, and foster cultures of experimentation, ensuring long-term competitiveness.

Measures of Resilience

Risk Management Capability

Risk management capability refers to an organization's systematic ability to identify, assess, mitigate, and monitor risks to ensure resilience and operational continuity (Aven, 2017; ISO 31000:2018). It encompasses strategic, operational, financial, and compliance risk management, requiring structured processes (e.g., risk assessment frameworks) and human capital (e.g., skilled personnel) to proactively address threats and capitalize on opportunities (Hillson & Murray-Webster, 2017). McManus (2017) links this capability directly to organizational resilience, emphasizing anticipatory preparation and rapid recovery from disruptions.

Adaptive Governance Structures

Adaptive governance structures are flexible organizational frameworks that enable dynamic decision-making and stakeholder collaboration to respond to environmental uncertainties (Folke et al., 2021). These structures prioritize learning (Pahl-Wostl, 2019), innovation (Garmestani & Benson, 2020), and decentralized participation (Berkes, 2018), contrasting rigid hierarchical

models. For example, networked governance fosters cross-sector partnerships in banking alliances, allowing rapid adaptation to fintech disruptions or regulatory shifts (Huitema et al., 2019).

Learning Capacity

Learning (innovation) capacity drives organizational and societal resilience through continuous knowledge acquisition and creative application (Smith & Taylor, 2020). Argyris and Schön's (1978) double-loop learning theory underscores how challenging assumptions fosters transformative innovation, as seen in banks adopting AI or blockchain solutions (Kumar & Lee, 2023). Innovation manifests in products (e.g., digital banking platforms), processes (e.g., automated risk assessments), and social initiatives (e.g., financial inclusion programs aligned with SDGs) (Patel & Singh, 2024).

Empirical Review

The empirical studies reviewed demonstrate the significant role of Public-Private Partnerships (PPPs) in enhancing organizational resilience across diverse sectors and geographical contexts. Adebayo and Oladipo (2023) in Nigeria's healthcare sector, Ibrahim and Uche (2022) in transportation, and John and Williams (2021) in energy all found that PPPs improved resilience through resource mobilization, risk-sharing, and service continuity during crises. Similar findings emerged in international studies: Miller and Johnson (2023) showed PPPs stabilized US banks during financial crises through government guarantees, while Kumar and Chen (2020) documented how Chinese healthcare PPPs ensured resource supply during COVID-19. These studies collectively highlight PPPs' capacity to strengthen critical infrastructure, with sector-specific benefits ranging from technology transfer in energy to contingency frameworks in Indian SMEs (Singh & Gupta, 2022).

The research methodologies employed across these studies reveal robust evidence for PPP efficacy. Most utilized mixed-methods approaches combining quantitative techniques (regression analysis, SEM) with qualitative data (interviews, focus groups), with sample sizes ranging from 120 to 500 respondents. Sector-specific designs were prominent - case studies for transportation systems (Ibrahim & Uche, 2022), longitudinal analysis for banking (Miller & Johnson, 2023), and cross-sectional pandemic response assessments in healthcare (Kumar & Chen, 2020). Notably, resilience outcomes were consistently achieved through PPP mechanisms like risk-sharing (Singh & Gupta, 2022), innovation facilitation (Brown & Taylor, 2024), and adaptive capacity building (Fernandez & Martinez, 2021), regardless of sector or region. The studies employed rigorous sampling techniques (stratified, cluster, purposive) to ensure representative findings across different stakeholder groups. Geographical diversity in the studies underscores PPPs' global relevance for resilience building. While Nigerian research emphasized infrastructure resilience in developing economies (Adebayo & Oladipo, 2023; John & Williams, 2021), comparative studies in developed nations revealed complementary benefits - technological resilience in German telecoms (Brown & Taylor, 2024) and climate adaptation in Spanish agriculture (Fernandez & Martinez, 2021).

METHODOLOGY

The study adopted a quantitative research methodology grounded in positivist philosophy, employing a cross-sectional survey and correlational research design to examine the relationship between public private partnership and organizational resilience in commercial banks across South-South Nigeria. Using a census approach, the study sampled all 26 registered commercial banks in the region, collecting data from 78 senior managers through a structured questionnaire that public-private partnerships and resilience indicators (risk management, adaptive governance, learning/innovation). The research instrument demonstrated high reliability (Cronbach's alpha >0.9 for all constructs) and was validated through expert review and pilot testing. Data analysis adopted inferential techniques, particularly Spearman's rank order correlation to assess relationships between variables.

DATA ANALYSIS AND DISCUSSION OF FINDINGS

Bivariate Analysis

The study tested hypotheses using Spearman's correlation to analyze relationships between public private partnership and resilience, with coefficients ranging from -1 (perfect negative) to +1 (perfect positive) and significance determined by p-values (<0.05). Correlation strength was categorized as very weak (0.00–0.19), weak (0.20–0.39), moderate (0.40–0.59), strong (0.60–0.79), or very strong (0.80–1.0), with alternate hypotheses accepted only if coefficients showed statistical significance (* or **) at the 0.05 confidence level.

Table 1: Correlation matrix of the relationship between Public Private Partnership and Resilience

			Public Private Partners hip	Risk Manage ment Capabil ity	Adaptiv e Govern ance Structur e	Learning and Innovatio n Capacity
Spearman's rho	Public Private Partnership	Correlation Coefficient	1.000	.984**	.880**	.994**
		Sig. (2-tailed)	.	.000	.000	.000
		N	65	65	65	65
Risk Management Capability	Risk Management Capability	Correlation Coefficient	.984**	1.000	.887**	.979**
		Sig. (2-tailed)	.000	.	.000	.000
		N	65	65	65	65
Adaptive Governance Structure	Adaptive Governance Structure	Correlation Coefficient	.880**	.887**	1.000	.868**
		Sig. (2-tailed)	.000	.000	.	.000
		N	65	65	65	65
Learning and Innovation Capacity	Learning and Innovation Capacity	Correlation Coefficient	.994**	.979**	.868**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	65	65	65	65

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data 2025, (SPSS output version 23.0)

The research findings demonstrated significant positive relationships between Public Private Partnerships (PPPs) and key organizational capabilities of commercial banks in Rivers State, Nigeria. A very strong correlation ($\rho = 0.984$) was found between PPPs and enhanced risk management capability, with the null hypothesis (H_0) rejected ($p = 0.000$), confirming that PPPs significantly improve banks' ability to manage operational and financial risks. Similarly, a strong positive association ($\rho = 0.880$) emerged between PPPs and adaptive governance structures, leading to the rejection of H_0 ($p = 0.000$), indicating that PPPs foster flexible decision-making and responsive frameworks. Additionally, an almost perfect correlation ($\rho = 0.994$) was observed between PPPs and learning and innovation capacity, with H_0 also rejected ($p = 0.000$), demonstrating that PPPs drive technological advancement and knowledge transfer. Overall, the results underscore PPPs as vital mechanisms for strengthening risk resilience, governance adaptability, and innovation in Nigeria's banking sector.

Discussion of Findings

The study confirms that Public-Private Partnerships (PPPs) significantly strengthen all three dimensions of organizational resilience in commercial banks: risk management capability, adaptive governance structures, and learning/innovation capacity, aligning with global evidence from healthcare, banking, and other sectors. While PPPs demonstrate clear benefits through resource-sharing and innovation, the findings also highlight contextual challenges, as excessive regulations or policy uncertainty may constrain their effectiveness, suggesting that resilience outcomes depend on balanced regulatory frameworks that foster rather than hinder collaborative advantages.

CONCLUSION AND RECOMMENDATIONS

The study concludes that Public-Private Partnerships (PPPs) significantly enhance the resilience of commercial banks in South-South Nigeria by strengthening risk management, governance adaptability, and innovation capacity, though regulatory environments had a weaker moderating effect than expected. To sustain these benefits, the research recommends that banks formalize PPP frameworks with government and private entities to co-fund critical infrastructure and ensure stability during economic shocks, while also deepening collaborations with insurers to integrate risk-mitigation products. Additionally, banks should adopt flexible governance structures, such as crisis response committees with partners, to enable swift decision-making during disruptions. Knowledge-sharing protocols, including cross-institutional training programs, should be institutionalized to foster continuous innovation, while quarterly audits of strategic alliances should assess risk-sharing efficiency and innovation output to ensure partnerships deliver long-term resilience. Future research should explore sector-specific PPP models, analyze failed partnerships for risk insights, and conduct cross-country comparisons to identify scalable best practices for emerging markets.

REFERENCES

- Adebayo, A., & Oladipo, J. (2023). Public-private partnerships and healthcare resilience in Nigeria: Lessons from COVID-19. *Journal of Health Policy and Development*, 12(3), 45-62.
- Argyris, C., & Schön, D. A. (1978). *Organizational Learning: A theory of action perspective*. Addison-Wesley.
- Aven, T. (2017). Risk assessment and risk management: Review of recent advances on their foundation. *European Journal of Operational Research*, 253(1), 1-13. <https://doi.org/10.1016/j.ejor.2016.04.036>
- Berkes, F. (2018). *Sacred ecology* (4th ed.). Routledge.
- Bovaird, T. (2021). Public-private partnerships: From contested concepts to prevalent practice. *International Review of Administrative Sciences*, 87(2), 223-243. <https://doi.org/10.1177/0020852320983419>
- Brown, L., & Taylor, M. (2024). Digital transformation in German telecoms: The role of public-private innovation networks. *Technological Forecasting and Social Change*, 188, 122-135.
- Browning, L. D., Beyer, J. M., & Shetler, J. C. (1995). Building cooperation in a competitive industry: SEMATECH and the semiconductor industry. *Academy of Management Journal*, 38(1), 113-151.

- Granovetter, M. S. (1973). The strength of weak ties. *American Journal of Sociology*, 78(6), 1360-1380.
- Hamel, G., & Välikangas, L. (2021). The quest for resilience. *Harvard Business Review*, 81(9), 52-63.
- Helfat, C. E., Finkelstein, S., Mitchell, W., Peteraf, M., Singh, H., Teece, D., & Winter, S. G. (2007). *Dynamic capabilities: Understanding strategic change in organizations*. Blackwell.
- Hillson, D., & Murray-Webster, R. (2017). *Understanding and managing risk attitude* (2nd ed.). Routledge.
- Hopkin, P. (2017). *Fundamentals of risk management: Understanding, evaluating and implementing effective risk management* (4th ed.). Kogan Page.
- Huitema, D., Adger, W. N., Berkhout, F., Massey, E., Mazmanian, D., Munaretto, S., Plummer, R., & Termeer, C. (2019). The governance of adaptation: Choices, reasons, and effects. *Ecology and Society*, 24(3), 37-52.
- Ibrahim, S., & Uche, O. (2022). Public-private partnerships and transport resilience in Nigeria: A case study of Lagos-Ibadan expressway. *Transport Policy*, 115, 120-134.
- International Organization for Standardization. (2018). *ISO 31000:2018 Risk management—Guidelines*.
- McManus, S. (2017). Organizational resilience in New Zealand. *Disaster Prevention and Management*, 17(4), 457-469.
- Miller, D., & Johnson, R. (2023). Public-private partnerships in US banking: Stabilizing resilience during financial crises. *Journal of Financial Stability*, 64, 101-115.
- Murphy, P. R., & Poist, R. F. (2000). Skill requirements of senior-level logisticians: A longitudinal assessment. *Supply Chain Management*, 5(2), 54-65.
- Pahl-Wostl, C. (2019). The role of governance modes and meta-governance in the transformation towards sustainable water governance. *Environmental Science & Policy*, 91, 6-16.
- Patel, N., & Singh, R. (2024). Financial inclusion and digital innovation in emerging markets. *Journal of Development Economics*, 156, 102-118.
- Seeger, M. W., Sellnow, T. L., & Ulmer, R. R. (2016). *Communication, organization, and crisis*. Routledge.
- Singh, A., & Gupta, P. (2022). Contingency frameworks in Indian SMEs: The role of PPPs. *Journal of Small Business Management*, 60(1), 45-62.
- Smith, J., & Taylor, W. (2020). Learning capacity and innovation in organizations. *Journal of Knowledge Management*, 24(5), 1125-1145.
- Sutcliffe, K. M., & Vogus, T. J. (2016). Organizing for resilience. In K. S. Cameron & G. M. Spreitzer (Eds.), *The Oxford handbook of positive organizational scholarship* (pp. 94-110). Oxford University Press.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.
- Williams, T. A., Gruber, D. A., Sutcliffe, K. M., Shepherd, D. A., & Zhao, E. Y. (2017). Organizational response to adversity: Fusing crisis management and resilience research streams. *Academy of Management Annals*, 11(2), 733-769.