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Internal Control Systems and Organizational Effectiveness of Deposit Money Banks in Rivers State

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***Abstract**: This work examined the relationship between internal control systems and organizational effectiveness of deposit money banks in Rivers State. The study adopted the survey design and 126 managers and supervisors of 21 deposit money banks in Rivers State were covered as the population of the study. The study was a census study and structured questionnaires were used in gathering data. The retrieved data were analyzed with Spearman Rank Order Correlation so as to ascertain the relationship between the dimensions of internal control systems (control environment and risk assessment) with the measures of organizational effectiveness (productivity and adaptability). The result depicts that there is a significant and positive relationship between internal control systems and organizational effectiveness. It was concluded that internal control systems in terms of the control environment and risk assessment are key factors in enhancing the organizational effectiveness of deposit money banks in Rivers State, Nigeria. It was recommended that the management of the deposit money banks should engage in risk assessment and environmental control for efficiency at workplace*

***Keywords:** Internal Control Systems, Control Environment, Risk Assessment, Organizational Effectiveness, productivity, adaptability.*

Introduction

Organizational effectiveness affects a company's long-term performance because the more goals a company can accomplish, the more profitable it will become. Effectiveness enhances the reduction of waste, and eliminates outdated technology or ineffective processes, which saves money for the firms. Effective change management techniques are developed by an effective organization to address and reduce risks. increasing consumer value and experience, creating a better management system, and enabling firms to meet stakeholder needs are all ways to improve employee performance and engagement (Birt, 2022). Although both organizational effectiveness and organizational efficiency are concerned with a group's ability to achieve its goals, they approach the subject from slightly different angles. Organizational effectiveness refers to an organization's ability to achieve its goals. with the fewest resources, money, and time. Organizational effectiveness, on the other hand, is not time-bound and is concerned with achieving a goal by doing the right things. Businesses evaluate these two differently. They may use a set of measurements to determine organizational effectiveness and whether they achieved their goal. When a business is efficient, success is more likely to be measured by financial criteria such as spending.

Businesses should prioritize assessing and enhancing organizational effectiveness because doing so boosts their chances of long-term success. Banks with successful organizational structures complete their tasks quickly, meet their deadlines, and sustainably raise their earnings. An efficient internal control system, which minimizes risk and permits the development and maintenance of value, is one of the finest barriers against corporate failure and a key factor in business performance. Successful businesses are able to counter dangers and seize opportunities, often by applying controls in an efficient manner. This helps them operate better.

The inefficiency of one unit of an organization can have an impact on the overall success of the company. Cameron (1978) asserts that a firm's ability to get critical resources is a critical component of its effectiveness. Although there is no consensus on what defines organizational success, attaining goals, feeling content with one's surroundings, and having an effective internal control system are all crucial for firms that want to last. The effectiveness of an organization's internal controls determines how much it can outperform its rivals. Internal controls are procedures put in place by management to help a company function successfully and efficiently in order to achieve its objectives. Managers frequently believe that internal controls are the domain and duty of accountants and auditors. In reality, management at all levels of an organization is accountable for ensuring that internal controls are established, followed, and assessed on a regular basis. The duty for ensuring organizational effectiveness falls on both management and personnel and critical to implement an internal control system that will harness employee effort to increase the firm's effectiveness. The ability of the organization to properly implement a good internal control system will increase staff synergy and hence the organization's effectiveness.

All organizations must strive for organizational effectiveness if they are to survive difficult times. As a result, some scholars have investigated how various constructs might be used to improve efficacy. They discovered that employee involvement improves corporate effectiveness. Yen and Neuhoff (2008) looked into the link between organizational citizenship and organizational efficiency. Odita and Egbule (2015) also investigated the association between worker diversity and organizational success. Anyakie (2018) investigates the relationship between conflict management and corporate effectiveness. Despite the numerous studies on how to improve effectiveness, there is still a scarcity of scholarly work that has explored the function of internal control systems in promoting organizational effectiveness in money deposit banks in Rivers State, Nigeria. This gap has influenced this research. This study differs from past empirical work in that it seeks to investigate how organizational effectiveness might be improved from the perspective of the internal control system.

Statement of the Problem

Nigeria's banking sector is still coping with macroeconomic pressures like declining real GDP growth rates, rising inflation and unemployment rates, and fluctuating naira-to-dollar exchange rates brought on by volatile oil prices more than ten years after the 2008 financial crisis and six years after the oil crisis and this lower government spending, which has an impact on banking operations, while also lowering consumption and investment (Kola-Oyeneyin and Kuyoro**).**

A slowing economy, a challenging operating climate, rising competitive intensity, a pandemic, currency depreciation, and other macroeconomic concerns are placing pressure on and driving many Nigerian banks towards a crisis. Bank profitability is being impeded by the Cash Reserve Requirement (CRR), which at 27.5 percent is among the highest in the world. and the CBN's goal of achieving an 80 percent financial inclusion rate has enhanced payment competitiveness. Banks in Nigeria are suffering as a result of bad policies. High levels of inefficiency have hindered the majority of money deposit banks, which has led to client dissatisfaction, decreased profitability, a loss of market share, and ultimately the closure of the majority of businesses. Even after ten years, most banks remain inefficient and slow-moving. Because inefficient businesses are doomed to fail quickly, they lose market share in their industry and their competitive edge, which lowers economic activity nationwide.

A rising financial organization is hindered by management review controls that are ineffective and inefficient. Problems with the levels of variation in how controls are reported exist in practically all banks. In the financial sector, cyberattacks are still on the rise, and fraud using the Paycheck Protection Programme is still a major problem. However, discriminatory lending practices are still pervasive, and incorrect application of modern technology is cause for concern. For these and other reasons, senior executives must monitor a wide range of key issues and crucial changes, as well as their internal control system for effective banking.

Aim and Objectives of the Study

The study investigates the relationship between internal control systems and organizational effectiveness. of deposit money banks in Rivers State. Specifically, if determines the bond between

1. Control environment and productivity of deposit money banks in Rivers State, Nigeria?
2. Control environment and adaptability of deposit money banks in Rivers State, Nigeria?
3. Risk assessment and productivity of deposit money banks in Rivers State, Nigeria?
4. Risk assessment and adaptability of deposit money banks in Rivers State, Nigeria?

Research Questions

The following research questions served as a guide in this study.

1. What is the relationship between control environment and productivity of deposit money banks in Rivers State, Nigeria?
2. How does control environment relate with adaptability of deposit money banks in Rivers State, Nigeria?
3. What is the relationship between risk assessment and productivity of deposit money banks in Rivers State, Nigeria?
4. How does risk assessment relate with adaptability of deposit money banks in Rivers State, Nigeria?

Hypotheses

Ho_1: There is no significant relationship between control environment and the productivity of deposit money banks in rivers state, Nigeria.

Ho_2: There is no significant relationship between control environment and the adaptability of deposit money banks in rivers state, Nigeria.

Ho_3: There is no significant relationship between risk assessment and the productivity of deposit money banks in rivers state, Nigeria.

Ho_4: There is no significant relationship between risk assessment and the adaptability of deposit money banks in Rivers State, Nigeria.

Review of Related Literature

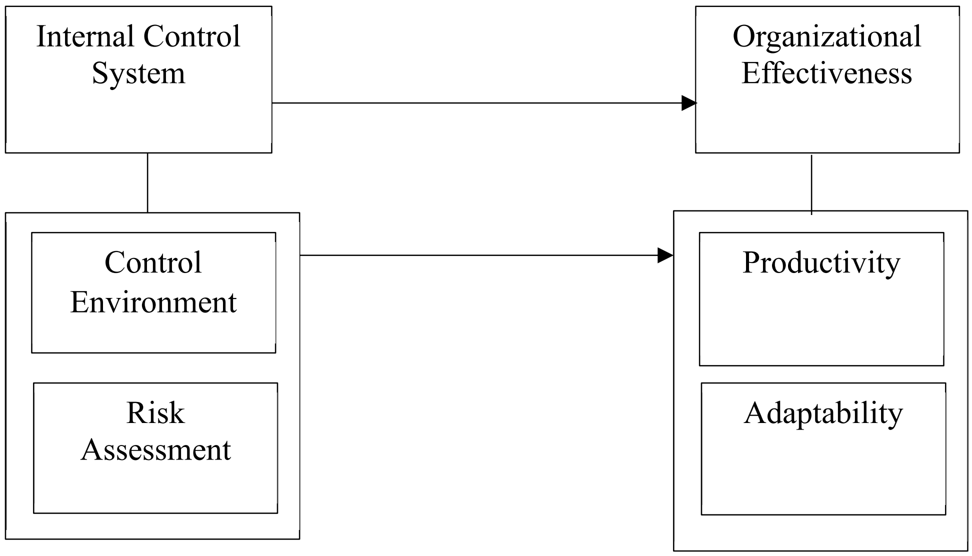

Fig 1: Conceptual Framework of the internal control system and organizational effectiveness.
Source: Conceptualized by the researchers.

This study is anchored on agency theory which is a concept that explains the critical interactions that exist between principals and their respective agents. Agency theory was developed by Jensen and Meckling (1976). They proposed a theory of how the governance of a firm is built on the conflicts of interest between the company's owners (shareholders), its managers and major providers of debt finance In its most basic form, a principal is someone who substantially relies on an agent to carry out specific financial decisions and transactions with potentially volatile effects. The stakeholders rely on the employees for effective internal control systems to achieve their goals and objectives. This ttheory explains and resolves disputes over the respective priorities between principals and their agents as pprincipals rely on agents to execute certain transactions, which results in a difference in agreement on priorities and methods to reduce agency loss and improve efficiency.

Internal Control Systems

Internal control is a crucial element of an organization's governance system and risk management capability. The governing body, management, and other staff members understand it, put it into practice, and actively monitor it in order to take advantage of opportunities and fend off threats to the accomplishment of the organization's objectives (Internal Federation of Accountants, 2012). Management implements internal controls so that an organization can function effectively and efficiently in order to accomplish its goals. However, managers typically mistakenly believe that accountants and auditors are solely in charge of setting up, enforcing, and reviewing internal controls but in reality, management at all levels of an organization is accountable for this.

An organization's governance system's ability to manage risk, support the accomplishment of its goals, and create, enhance, and protect stakeholder value are all very important aspects of internal control. The organization should define the various roles and duties for internal control, including the governing body, management at all levels, employees, and internal and external assurance providers, as well as coordinate participant collaboration. Internal control should be utilized to assist organizations in achieving their goals by managing risks and adhering to laws, regulations, and organizational policies. For efficacy, deposit money banks should routinely monitor and evaluate both the overall internal control system and each individual control. The detection of unacceptably high levels of risk, control failures, or events that are beyond the bounds for acceptable risk taking is a symptom that an internal control system needs to be upgraded and made more open and responsible (Internal Federation of Accountants, 2012).

Control Environment

The tone of an institution is defined by the control environment that the organization's leadership creates, which also has an impact on the control consciousness of its members (Whittington and Pany, 2001). Management should be committed to following established control procedures and conducting business ethically. All other internal control components are built upon this, which establishes structure and discipline. Competent people who are aware of their responsibilities and the boundaries of their power, as well as those who are intelligent, thoughtful, and committed to doing what is right and doing it correctly, create an effective control environment. They are committed to upholding the procedures, policies, and moral and behavioural standards of an organisation.

The aim of the CE is to achieve the entity's strategic goals, provide reliable financial reporting to internal and external users, manage the business successfully, and adhere to all relevant laws and regulations (Welch, 2023). Control environment should be influenced by people at all levels of an organisation. Internal control should be regarded everyone's responsibility because it helps an organisation achieve its operational, financial reporting, and compliance goals. Internal controls assist an organisation stay on track to achieve its goals and fulfil its mission. It should improve operational effectiveness and efficiency, reduce asset loss risk, and help ensure legal and regulatory compliance. Effective internal control depends on the control environment, an intangible factor that encompasses both technical proficiency and ethical commitment. Integrity and ethical standards, dedication to competence, the way management delegated authority and responsibility, organised its workforce, and invested in employee development are all examples of control environment variables.

Risk Assessment

The core purpose of internal control is to identify vulnerabilities to an organization's goals and take the required steps to mitigate such dangers. Risk assessment is the process of creating goals, ranking them in order of significance, connecting them, and finding, assessing, and managing risks that could prevent those goals from being met. The possibility, effects, and tolerances of potential incidents are determined by a risk assessment. Risk assessment is an essential component of a risk management approach that includes the implementation of control measures to avoid or limit any probable risk-related effects (ISACA, 2015).

The primary goal of risk assessment is to minimize the negative effects of risk or to analyze potential opportunities. Anything that obstructs the firm from achieving their goal is a risk. Management should think about what might go wrong, what assets should be protected, how to protect the assets, what can prevent theft or fraud, what activities are governed by external authorities, what external exposures exist, what could disrupt operations, and how to accomplish stated objectives when identifying risks. Discover how best-in-class risk management can create value by enhancing confidence in achieving strategic goals and retaining stakeholder trust (Bastos, 2022).

According to Evrin (2021), qualitative risk analysis is quick but subjective, whereas quantitative risk analysis is optional and objective, with greater information, contingency reserves, and go/no-go judgements, but it is more time consuming and difficult.

Organizational Effectiveness

Effectiveness is "the ability to produce a desired result," according to Merriam-Webster. Effectiveness in an organizational setting is more challenging to measure because it depends on a variety of factors, including the organization's mission and goals, internal productivity, strategic positioning, and more (Vulpen, 2023). Oghojafor, Muo, and Aduloju (2012) defined organizational effectiveness as the degree to which a company is able to accomplish its goals. The degree to which an organisation achieves its objectives, upholds internal control, pleases its stakeholders, has the resources required to operate, or has an impact on society or the environment is what constitutes organizational effectiveness, according to Van-Vulpen (2023).

Companies might use metrics or review processes to assess their organizational effectiveness. Scorecards are frequently used by businesses to track their performance on a regular basis. How a firm gauges its performance is determined by its strategic plan and the goal it is attempting to attain. Another technique to assess organizational success is to examine a company's leading indicators, such as the number of planned appointments or the number of reference letters issued, to forecast future performance. They can also create KPIs to determine whether or not they completed the required action (Birt, 2022). Organizations should create a well-researched strategy with a clear purpose and set of objectives, and efficiency and effectiveness should be key values if they are to achieve their goals. While Friedlander and Pickle (1968) contend that the organization's effectiveness should take into account the organization's profitability, the degree to which it satisfies its members, and the degree to which it is of value to the larger society of which it is a part, Bernard (1938) defines effectiveness as the achievement of recognized cooperative effort objectives, emphasizing that the degree of accomplishment is the degree of effectiveness.

Productivity

Productivity measurement is essential for determining public policy and private-sector decisions. Due to a lack of accurate approaches for estimating workers' productivity, firms usually use specialised performance metrics, such as how different incentives affect employees' behaviour. These techniques are also used to monitor and evaluate employees in the public sector. To select the appropriate performance metrics, and so build better employment contracts and enhance productivity, policymakers and managers must first understand the relevance, advantages, and disadvantages of each available statistic. Productivity is a wide measure of one's ability to make a product or provide a service. More specifically, productivity is a measure of how specified resources are managed in order to meet stated quantity and quality targets on time (Yadav, & Marwah, 2015).

Workers' productivity could thus be measured as an output, such as sales or units produced, versus an input, such as hours worked or labour cost. Labour productivity has traditionally been calculated using aggregate statistics at the business level, such as value-added per worker. This statistic is typically disaggregated by labour type, such as low-, medium-, and high-skilled workers, to account for changes in workforce inputs.

Adaptability

Organizational adaptation stems from organizational change. Organizational adaptability can be a proactive or reactive change; nevertheless, in order to support intentional organizational change, a planned technique or framework to improve an organization's functioning is required (Kotter, 2012). Adaptability is the ability of a company or firm to adjust its behaviour, structures, and systems in order to survive in the face of environmental change (Denison, 2007). The mindset of organizational adaptation must pervade the organization (Steven and Kenneth, 2017).

Many firms strive for people who can and will adjust since adaptability is a crucial component of problem-solving, teamwork, and a range of other workplace competencies. Adaptability is crucial for a person's career longevity and success (van Dam et al., 2015). Other research, like Levin's (2015) work, underlines the importance of teaching students how to be adaptable in order to get them ready for the workforce and help them thrive in tomorrow's dynamic workplace. Developing employees' and children's adaptability is important for the future economic success of America, claims Levin (2015).

Martin et al., (2012) identify three elements of adaptation in their 2012 tripartite model: cognitive, behavioural, and emotional. When confronted with a difficult, unique, or unknown scenario, cognitive adaptation entails thinking about the situation in new ways or adjusting one's perspective on the situation or circumstance. Behavioural flexibility is the ability to shift one's actions in response to a change in condition or circumstance. In the face of novelty, change, or uncertainty, emotional adaptability is altering one's emotions to lessen less beneficial emotions (e.g., fear) or boost positive emotions (e.g., hope). Adaptability is defined as the ability to adapt one's beliefs and behaviours in response to ambiguity, new information, or changing environments (Martin et al., 2013).

The ability of a structure to successfully adapt the changing demands of its surroundings, hence maximising value through time, is defined as "the capacity of a building to effectively accommodate the evolving demands of its context." Through education, training, and experience, leaders can develop and establish a number of cognitive skills and behaviours in their businesses that contribute to adaptability (Steven & Kenneth, 2017). Denison (1990) defined adaptability as the cultural conditions that should enable a firm to change, challenge, and outperform the competition. Hiefetz, Grashow, and Linsky (2009) take a distinct approach to adaptation by defining adaptive leadership as "the practice of mobilizing people to tackle difficult challenges and thrive." Adaptability is a behavioural change characterised by innovative or creative techniques in anticipation of, or in response to, environmental changes that are suited for issue-solving. Steven and Kenneth (2017) define adaptability as both proactive and reactive.

Adaptability is both a mental condition and a cognitive ability. It is a way of thinking about how a leader addresses problem or perceives change. Improvisation and experimentation are required (Heifetz, Grashow, & Linsky, 2009). Leaders must establish an organization that can adapt to the ever-changing environment in order to capitalize on individual adaptability. An adaptable organization is one that can both plan for and respond to changes in the environment (Klein & Pierce, 2001). Adaptability is defined as the ability to translate the weights of the corporate environment into achievement (Amah, 2016).

Three adaptation elements that affect an organization's success were discovered by Denison (2007). The first is the capacity to perceive and react to the surrounding environment. Businesses that are successful have a laser-like concentration on their customers and competitors. Regardless of department or position, the second most important skill is the capacity to respond to internal customers. The ability to reorganize and institutionalize a group of behaviours and procedures that allow the organization to adapt to its surroundings is the third attribute.

Empirical Review

Otoo, Asumah, Peprah-Amankona, and Andzie (2021) investigate the impact of internal control mechanisms on the performance of Ghanaian universal banks. The study used a quantitative research method. A questionnaire was utilised to collect information from 160 respondents from 20 universal banks in Ghana. The data were processed using SPSS version 21, and regression analysis was employed as an analytical method. The study discovered that monitoring has a substantial impact on the performance of universal banks. Monitoring had a part correlation coefficient of 0.156, meaning that it explains approximately 2.43 percent of the variance in performance. The findings show that the performance of universal banks in terms of; return on asset, liquidity, customer base, quality of service, flexibility, resource utilisation, and innovation is subject to internal control, if the management of such banks has defined appropriate objectives for the organisation; identify risks that affect the achievement of the objectives; management has criteria for determining which fraud-related risks to the organisation are most critical; and management has the manpower to manage such risks.

The effect of management ethics on organizational effectiveness was investigated by Nwinyokpugi, Nwibere, Orodho, Okafor, Malizu, John, and Barman, (2014). The study's sample included 231 managers from 46 randomly chosen organizations in Nigeria. The south-south region was chosen on purpose to broaden the scope of the research and allow for possible generalization. The study collected both quantitative (questionnaire) and qualitative (interview) data. The data was analyzed using the Multiple Regression Model in the Statistical Package for Social Sciences (SPSS) version 15. Our results demonstrated a significant and favourable link between managerial ethics and organizational effectiveness. According to this result, managerial ethics had a considerable positive effect on organizational effectiveness. Merit, Integrity, Justice, Managerial Ethics, and Organizational Effectiveness are significantly related effectiveness.

The effectiveness of Christian faith-based hotels in Kenya is examined by Muriithi, Kyalo, and Kinyanjui (2019) in connection to entrepreneurial orientation, adaptation of organizational culture, and performance. This study took a positivist stance and was grounded on epistemic philosophy. The study, which was driven by a cross-sectional survey research design, employed the mixed methods methodology. The variable items for organizational culture adaptation and performance were evaluated using a five-point Likert scale and the organizational survey instruments from Denison. 72 managers and 1878 junior employees from 24 Christian faith-based hotels in Kenya made up the study's population. Structural equation models (SEM) and an MMR model were fitted to evaluate the study's goal. The study discovered that flexibility has a substantial beneficial influence on the performance of Christian Faith Based Hotels based on the SEM and MMR models

(= 0.520, t= 2.444, p-value=0.018). According to the study, Entrepreneurial Orientation played a moderating role in the relationship between organizational culture adaptability and performance of Christian Faith Based Hotels based on the MMR model, with a significant change in R due to the addition of the interaction term (R-square change=.063, F-change=4.293, p-value=0.043).

Nyamita, Tinega and Nyakundi (2014) examine how internal control systems affect the financial performance of small and medium-sized businesses in Kisumu, Kenya. Pay particular attention to how internal control systems relate to returns on investment and how much an entrepreneur knows about internal control systems and how they affect financial performance. Through the use of stratified and straightforward random sampling techniques, the sample was chosen from the research population. Cross-sectional survey research design was modified and both quantitative and qualitative methods were used in the study. Both primary and secondary data were employed in the investigation. While standardized questionnaires and interviews were used to gather primary data, financial statements from the sampled businesses were used to gather secondary data. Both descriptive and inferential statistics were used to analyze the data. The study showed clearly how internal control systems are linked to a significant change in financial performance. The results of the study support the conclusion that internal control systems have a significant impact on the financial performance of small and medium-sized businesses. According to the inquiry, owners of small and medium-sized businesses should be trained on the value of internal controls.

Methodology

A survey design was adopted in this inquiry and 126 managers and supervisors of 21 deposit money banks in Rivers State were covered as the population of the study. The study was a census study. structured questionnaires were used in gathering data. Internal control was measured using control environment and risk assessment. 6 items were utilized in measuring control environment and 6 items were used in measuring risk assessment. Organizational effectiveness was operationalized using productivity and adaptability and 5 items each, were used in measuring the variables. The data were analyzed using Spearman Rank Order Correlation in order to ascertain the relationship between transformational leadership and employee engagement.

Results

From the 126 copies administered, only 118 copies were retrieved. The hypotheses test is undertaken at a 95% confidence interval and the decision rule is stated below.
Where $P < 0.05$ = Reject the null hypotheses

Where $P > 0.05$ = Accept the null hypotheses

Table 1: Correlations between Control Environment and the Dimension of Organizational Effectiveness

			Control Environment	Productivity	Adaptability
Spearman's rho	Control Environment	Correlation Coefficient	1.000	.830**	.816**
		Sig. (2-tailed)	.	.000	.000
		N	118	118	118
	Productivity	Correlation Coefficient	.830**	1.000	.746**
		Sig. (2-tailed)	.000	.	.000
		N	118	118	118
	Adaptability	Correlation Coefficient	.816**	.746**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	118	118	118

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

Control Environment and Productivity: Column five of table 1 above shows rho value of 0.830^{**} at a significance level of 0.000 which is less than the chosen alpha level of 0.05 for the hypothesis relating control environment and productivity. Since the significance value is less than the alpha level of 0.05, the null hypothesis (Ho_1) which states that there is no significant relationship between control environment and productivity is rejected and the alternate hypothesis is accepted. This implies that there is a strong significant positive relationship between control environment and productivity.

Control Environment and Adaptability: Column six of Table 1 above shows an rho value of 0.816^{**} at a significance level of 0.000 which is less than the chosen alpha level of 0.05 for the hypothesis relating control environment and adaptability. Since the significance value is less than the alpha level of 0.05, the null hypothesis which states that there is no significant relationship between control environment and adaptability is rejected and the alternate hypothesis (Ha_2) is accepted. This implies that there is a highly significant positive relationship between control environment and adaptability.

Table 2: Correlations between Risk Assessment and the Dimension of Organizational Effectiveness

			Risk Assessment	Productivity	Adaptability
Spearman's rho	Risk Assessment	Correlation Coefficient	1.000	.892**	.802**
		Sig. (2-tailed)	.	.000	.000
		N	118	118	118
	Productivity	Correlation Coefficient	.892**	1.000	.846**
		Sig. (2-tailed)	.000	.	.000
		N	118	118	118
	Adaptability	Correlation Coefficient	.802**	.846**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	118	118	118

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

Risk Assessment and Productivity: Column five of table 1 above shows rho value of 0.892** at a significance level of 0.000 which is less than the chosen alpha level of 0.05 for the hypothesis relating risk assessment and productivity. Since the significance value is less than the alpha level of 0.05, the null hypothesis (Ho_1) which states that there is no significant relationship between risk assessment and productivity is rejected and the alternate hypothesis is accepted. This implies that there is a strong significant positive relationship between risk assessment and productivity.

Risk Assessment and Adaptability: Column six of Table 1 above shows rho value of 0.802** at a significance level of 0.000 which is less than the chosen alpha level of 0.05 for the hypothesis relating risk assessment and adaptability. Since the significance value is less than the alpha level of 0.05, the null hypothesis which states that there is no significant relationship between productivity and adaptability is rejected and the alternate hypothesis is accepted. This implies that there is a high significant positive relationship between risk assessment and adaptability.

Discussion of Findings

The data analysis above depicts that internal control system in terms of control environment and risk assessment has a relationship with organizational effectiveness. The discussions of each hypothesis are specified below.

Control Environment and Productivity The results of the data analysis in table 1 showed a strong relationship between control environment and productivity. The P-value of 0.000 demonstrates relationship existence between control environment and productivity, and the rho value of 0.830 validates a strong positive connection between the variables. This result is consistent with Otoo et al., (2021) which investigate the impact of internal control mechanisms on the performance of Ghanaian universal banks and the findings show a significant relationship between internal control and the performance of the organization.

Control Environment and Adaptability

Hypotheses 2 analysis showed a high and significant correlation between control environment and adaptability. The P-value of 0.000, and the rho value of 0.816 demonstrates a strong positive link between the control environment and adaptability. The results support the finding of Nwinyokpug et al., that managerial ethics had a considerable positive effect on organizational effectiveness.

Risk Assessment and Productivity

The results in table 2 revealed that risk assessment relates significantly with productivity. The correlation among the variables signifies that risk assessment can enhance productivity. The P-value of 0.000 shows that risk assessment relates to productivity, while the rho value of 0.692 shows a high positive correlational value among the variables. This result is consistent with that of Muriithi, et al., (2019) the internal control adopted at the Christian faith-based hotels in Kenya has a relationship with the adaptability in the organisation.

Risk Assessment and Adaptability

The analysis presented in table 2 revealed that risk assessment relates significantly with adaptability. The P-value of 0.000 shows that risk assessment relates to adaptability, while the rho value of 0.892 shows a high positive correlational value among the variables. This means that risk assessment will enhance adaptability. This finding agrees with of Nyakundi, et al., (2014) that internal control systems relates with financial performance of small and medium scale business.

Conclusion and Recommendations

The study examines the internal control system and organizational effectiveness of deposit money banks in Rivers State, Nigeria. The study found a strong correlation between internal control systems in deposit money banks and organizational effectiveness. Given the unprecedented time-to-market challenges, misfortunes, policy changes globalization, and intense rivalry that the banking sector must contend with, a well-organized internal control system is indispensable for advanced organizational effectiveness. T internal control system and organizational effectiveness of deposit money banks in Rivers State, Nigeria he study therefore concludes that a relationship exists between remote work environment and employee performance. It is thus recommended that;

1. The deposit money banks should eliminate outdated technology or ineffective processes that hinder the successful administration of the internal control system.
2. The Management of the deposit money banks should be committed to following established control procedures and conducting business ethically for improved productivity.
3. The deposit money banks should strive for employees with the ability to adapt to new changes, good reasoning ability and problem-solving skills, teamwork, and a range of other workplace competencies.
4. The deposit money banks should carry out risk assessment reviews and regular review reports on the functionality of internal controls to address the current business environment.
5. The deposit money banks should make deliberate attempts to educate proprietors and employees on the significance of business knowledge of internal control systems
6. The deposit money banks should constantly monitor and evaluate employees to ensure productivity and adaptability.

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