

## Nigerian Public Sector and the Challenge of Workers' Productivity: An Evaluation

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**Abstract.** Productivity means the continuing improvement of the firm management performance in the use of resources and though the operations it is conducted. However the paper highlights those factors responsible for low productivity among Nigerian workers. The paper focus on those means that will be applied to get workers committed to tier work using effective national tool to enhance and increase productivity level of the public sector in Nigeria. The paper conclude that productivity is the lifeblood of our economy and key to high standard of living. Productivity growth is important for the wellbeing of future generation. It is only by productivity that the real national wealth of a country can increase. The paper therefore, recommended that it is necessary that organization should set out their productivity goal before they even embark on production and the goals must be realistic, specific, comprehensive and meaningful.

**Keywords:** Evaluation, Factors Responsible, Low Productivity, Workers, Public Sector

### 1. Introduction

The issue of low productivity of Nigeria workers has in recent years been a matter of great concern to the nation. The rate at which productivity grows is influenced by the rate of society's demand and the rate of inflation. Increased productivity is very vital for the health of the country because it help to

improve the conditions of the environment, enhance security and improve the standard and quality of life of the citizens. This is why David Ricardo in his study of population said that food needs to grow at a geometrical rate in order to meet the demand of the growing population. This emphasizes the need for increased productivity. Yusuf (1962) defined productivity as the ratio between output and all the resources used in production i.e. capital, labour, raw materials etc. the most efficient use of all available resources. With this definition; one may ask why is the Nigeria worker inherently characterized by low-productivity in spite of all government's efforts to improve the economy and the ever increasing need for improved productivity? Increasing productivity is a way of increasing the ability of people to do what they want, to do as well as achieving a higher standard of living for all suffering from low income and in boosting the prosperity of the overall Nigeria economy. It is in light of the above that the paper evaluate factors that responsible for low productivity of Nigerian workers in public sector.

### 2. Conceptual Clarification

**Productivity:** Productivity is an index which is used to measure the ratio of output per unit of input (Imaga, 1999). It simply tells whether or not factors of production are contributing more or less total output. Yusuf

(1962) defined productivity as the ratio between output and all the resources used in production i.e. capital, labour, raw materials etc. the most efficient use of all available resources. Tunde (2002) defined productivity as the “achievement of desired output coupled with a maximum utilization of resources which includes man, money, material and machinery.” He further argued that, in order to increase productivity of our country, slashing of wages of workers in order to match productivity. He also said that since our economy is labour intensive, emphasis should be designed to suit the economy. Terba (2002) pointed out that productivity of labour in industry depends not only on the quality and quantity of labour used, but also on the quality and quality of their inputs that are cooperate with labour. According to Saasongu (2005), defined productivity as all those activities which cover all the physical and mental efforts that satisfy human wants.

**Public Sector:** Public Sector Organization can be defined as an organization that is set up as a corporate body and as part of the governmental apparatus for an entrepreneurial or entrepreneurial-like objective (Longman Dictionary). Public Sector Organization is organization which emerged as a result of government acting in the capacity of an entrepreneur (Obikeze and Anthony, 2004). Public Sector Organization (also known as public corporation) is defined by Dimock and Dimock (1970) as publicly-owned enterprise that has been chartered under federal, state or local government law for a particular business or financial purpose. According to Pfiffner (1964). "A corporation is a body framed for the purpose of enabling a number of persons to act as single person." Public sector organization essentially has the features of several individuals who act as one. The sector organization thus is viewed as an artificial person who is authorized by law to carry, on particular activities and functions. It is described as a corporate body created by the legislature with defined powers and functions and independently having a clear-cut jurisdiction over a specified area or over a

particular type of commercial activity. Public Sector Organization is part of government apparatus and three implications are hereby highlighted.

First, a public sector organization, by virtue of its intricate relationship with government, is an instrument of public policy and its primary mission is in connection with governmental objectives and programmes. It is therefore naturally under governmental control. Second, a public sector organization, by its nature, mostly manages public resources, especially public money and this means that attention must be paid to mechanisms for enforcing accountability. Third, the combination of financial and economic objectives with social and political aims invariably makes it difficult to devise appropriate performance measurement instrument. The Public Sector, sometimes referred to as the state sector, is a part of the state that deals with the production, delivery and allocation of services by and for the government or its citizens, whether national, regional or local/municipal. The organization of the public sector (public ownership) can take several forms, including:

- Direct administration funded through taxation; the delivering organization generally has no specific requirement to meet commercial success criteria, and production decisions are determined by government.
- Publicly owned corporations (in some contexts, especially manufacturing, "state owned enterprises"); which differ from direct administration in that they have greater commercial freedoms and are expected to operate according to commercial criteria, and production decisions are not generally taken by government (although goals may be set for them by government).
- Partial outsourcing (of the scale many businesses do, e.g. for IT services), is considered a public sector model.

In spite of their name, public companies are not part of the public sector organizations; they are a particular kind of private sector

company that can offer their shares for sale to the general public. The public sector is any business which is owned by the country as a whole and run on behalf of the people. Some public sector enterprises are run by the federal government, other known as municipal undertakings, are run by local Government Authorities. Although the government or local authorities run and control public sector business, they are owned by the country. The finance for public sector businesses is found by federal, state and local government and their aim are to give service either for the people of the country as a whole or for those who live in the local government authority area.

### 3. Nigeria Public Sector

The concept and structure of what is today known and operated as the Nigerian public service sector of the entire economy has been premised on the nation's public administration system based on its colonial experience. Thus, what constitutes the public service sector in Nigeria is one of the legacies bequeathed to the country at its independence. The sector has largely remained a semblance of what obtains in the context of colonial master's home political economic model of running public undertakings. The public service is that sector of the economy owned and controlled by the governments of the federation or their agencies. It is a sector which is expected to serve all the citizens and it is funded and administered from and by the public resources. Essentially, the Nigerian public service sector, according to Otobo and Omole (1981) and MAMSER (1987) is economically divided into three categorizations:

- (i) The Civil service: This category can be identified as the federal, state, state ministries as well as the local government councils.
- (ii) The institutions of learning, research institute and other allied systems.
- (iii) The parastatals: These are Federal and State corporations like the Nigerian Railway Corporation, Housing Corporation, Port Authorities, Air and Sea, Crude oil and Solid

mineral Ventures and Transportation undertakings. Others include the Power Holding Company of Nigeria, Water Corporation, Nigerian Television Authority (NTA), Federal and State Radio Corporations, The Nigerian Postal Service (NIPOST), Federal and State Waste Management Board; the Banking industry, among others. These parastatals are supposed to provide certain essential services to members of the public even if they are unable to make profits or at least break even. The public enterprises are businesses set up to make profits and they must operate fully as commercial enterprises. Some of these enterprises are owned wholly by the governments and in other cases the governments have the majority or minority shares as the case may be.

Presently, as opined by Otobo and Omole (1987), the Nigerian Public Service Sector, when compared to the private sector of the economy, constitutes various categories of employees requiring varying skills in level and content as regards their job holding. Thus, the employees in these categories form the largest number of those employed in the country. As would be expected, they should constitute area of interest in the field of organizational study or discourse of what happens in the work. In this wise, the development and the acquisition of skills at the required levels by all workers in the public service sector becomes a study target as it obtains in this paper. It should be noted, however, that the public service sector is growing in nature and scope by the day, in response to the immediate and external sociopolitical and economic developments, especially in the content and context of the globalization trends and Millenium Development Goals (MDGs). For this public sector to meet their increasing responsibilities, they require responsive and well equipped workers in terms of necessary knowledge, attitudes and adequate skills to enhance their on-the-job behavior for effective and efficient service delivery on the parts of their employing public sector units (Oladunni 1998). This, he opines, could be

better realized if the Nigerian tertiary institution, particularly the universities and professional associations such as the Chartered Institute of Personnel Management of Nigeria (CIPMN), the Nigerian Institute of Management (NIM), Administrative Staff College of Nigeria (ASCON) and a host of others, focus more seriously on the training and development of Human Resource Practitioners who will in turn train and develop the Nigerian public sector employees of all categories. It will be in form of training-the-trainer model for human resource skills provision by making such trained trainers professionals in the area of skill development in the proper sense of it. This responsibility rests squarely on the organization based Human Resource Development managers and their outdoor professional counterparts (consultants).

#### **4. Brief History of Nigeria Public Sector**

The private sector was the traditional structure of the world's economies. The Nigerian economy is largely private-sector based. The public sector emerged in Nigeria as a result of the need to harness rationally the scarce resources to produce goods and services for economic improvement, as well as for promotion of the welfare of the citizens. The involvement of the public sector in Nigeria became significant during the period after independence. The railways were probably the first major example of public sector enterprises in Nigeria. At first, conceived mainly in terms of colonial strategic and administrative needs, they quickly acquired the dimension of a welcomed economic utility for transporting the goods of international commerce, like cocoa, groundnut, and palm kernels. Given the structural nature of the colonial private ownership and control of the railways in the metropolitan countries, it would hardly be expected that the Nigerian Railways Corporation could have been started as any other project than as a public sector enterprise for such mass transportation.

The colonial administration was the nucleus of necessary economic and social infrastructural facilities that private enterprise could not provide. Facilities included railways, roads, bridges, electricity, ports and harbors, waterworks, and telecommunication. Social services like education and health were still substantially left in the related hands of the Christian Mission.

But even at this initial stage government herself moved positively into some of the direct productive sectors of the economy: the stone quarry at Aro, the colliery at Udi, the saw mill and furniture factory at Ijora. Those were the early stages. The emergence of the crude oil industry into the Nigerian economy, after the civil war in the 1970s, with the associated boom intensified governmental involvement in production and in control of the Nigerian economy. One major aim of government at that time was to convert as much as possible of the growing oil revenue into social, physical, and economic infrastructural investments. The Nigerian Enterprises Promotion Decree of 1972, which took effect on 1 April, 1974, with its subsequent amendment in 1976, provided a concrete basis for government's extensive participation in the ownership and management of enterprises. Given these developments, public sector enterprises at the federal level had exceeded 100 in number by 1985; and these had spread over agriculture, energy, mining, banking, insurance, manufacturing, transport, commerce, and other service activities. Before long, the range of Nigerian public enterprises had stretched from farm organizations to manufacturing, from municipal transport to mining, from housing to multipurpose power, and from trading to banking and insurance.

At the state and local governmental levels, the range of activities that had attracted public sector investment also had become quite large. Thus, a variety of enterprises - with public interest in terms of majority equity participation or fully-owned by state and local government as well as other governmental entities - became visible in

various parts of Nigeria. Between 1975 and 1995, it was estimated that the Federal Government of Nigeria had invested more than \$100 billion in public sector enterprises.

### **5. Characteristics and Classification of Public Sector.**

The Characteristics of Public Sector Organization are:

- i. A Public Sector Organization comes into existence as a result of an Act passed by the legislature or a decree under, military rule. Public Sector Organization also defines its aims and objectives, powers and duties, immunities, the form of management and relationship with established departments and ministries.
- ii. It is a legal person, capable of suing and being sued, entering into contracts, acquiring and owing property in its own name and can also dispose of property than ordinary government departments.
- iii. It is wholly owned by the government.
- iv. Except for appropriations to produce capital or to cover losses, a public sector organization is usually independently financed. It obtains its funds from the treasury or the public and from revenues derived from the sale of goods and services. It is authorized to use and reuse its revenues.
- v. It is generally exempted from most regulatory and prohibitory statutes applicable to expenditure of public funds. There are no hard and fast rules behind them in the matter of making contracts of buying and selling works, etc. Thus, a great deal of liability and discretion is left for the management in the matter of procedure.
- vi. It is ordinarily not subject to the budget, account and audit laws and procedures applicable to government departments. Their audit is to be done by the Accountant-General of Nigeria or any other person appointed by him. However, both the accounts and audit are commercial nature.
- vii. Excluding the offices taken from government departments on deputation the employees of public sector organization are

not civil servant and they are not governed by government regulations in respect of conditions of service. The recruitment is not subject to civil service rules, promotion is by seniority and personnel can be fired easily if they are incompetent

viii. The Public Sector Organizations are free from the control of the legislature.

### **6. Classification of Public Sector Organization**

Public Sector Organizations are classified into three; namely public/statutory corporations, state-owned companies, and mixed economy enterprises.

They are explained below:

**Public/Statutory Corporation:** These are enterprises, which arise when the government assumes responsibility for the management of an economic or social pursuit through a special entity that has its own legal personality and still keeps some of the special prerogatives or privileges associated with a governmental organization. The blends of these features are aimed at enabling the organization to function effectively as an autonomous body while it remains an instrument of government policy. Enterprises that fall under statutory corporations include Central Bank of Nigeria (CBN), Nigerian Television Authority (NTA) and Federal Radio Corporation of Nigeria (FRCN) among others.

**State Owned Companies:** These are companies created by government under the provisions of ordinary company law, though they belong entirely to the government. They are registered in the registry of companies, with the government as the sole proprietor. Government, therefore, appoints the Board of Directors as is customary in private companies. Examples of such companies include New Nigeria Newspaper Ltd, New Nigeria Development Company Ltd and Odua Investment Company Ltd.

**Mixed-Economy Enterprises:** These are enterprises where the government is the majority shareholder in a partnership with

private entrepreneurs. In such companies, government usually dominates the board since it is the major shareholder. One example of such enterprises is Peugeot Automobile Nigeria Ltd. (PAN) (Obikeze and Anthony, 2004).

### **7. Reasons for the Establishment of Public Sector Organization**

There are many reasons for the establishment of Public Sector Organization. They are outlined below:

- The desire to use the Public Sector Organization as an instrument of effective plan implementation in a context where it appears futile devises a development plan for the private sector.
- The need to secure economic independence.
- The urgent desire to assure government control over "strategic" sectors of the economy (e.g. Central Banking, Broadcasting, iron and steel, roads, shipping, etc).
- The need to separate some activities from the civil service and allow more autonomy in their running.
- The perceived need to provide employment for the citizens in context where the private sector offers very limited employment opportunities.
- The need to ensure state control of key profitable enterprises with a view to generating revenues that will add to available national capital for financing development programmes and projects.
- The desire of some socialist-orientated regimes to use state control of key profitable enterprises to pursue the objectives of preventing the concentration of wealth or of the means of production and exchange in the hands of few individuals or of a group (i.e. promoting equitable distribution of wealth) (Obikeze and Anthony, 2004).

In many developing countries, the resources available to the private sector are not adequate for the provision of certain services.

For example, the investments required in the construction of a hydroelectricity-generating plant or a water scheme for a large urban center is quite enormous and the returns on such investments will take a very long time to realize.

Also political considerations influence governmental involvement in the provision of certain social and economic services. In many African countries, development is closely associated with the provision of social services; consequently, the performance of the government in many of these countries, are evaluated on the basis of its ability to provide different types of public services in areas where such services do not exist.

The governmental intervention in the provision and management of services in many parts of the world is the fact that no person should be permanently deprived of the access to such facilities because of lack of finances or by reason of geographical location.

Another reason relates to the need to protect the consumer, which may not be of interest to the private sector. For example, government intervenes in the provision of education in many countries to protect children, who are not capable of making important decisions for them, by making education up to a certain age compulsory and free.

The governmental intervention in the provision of certain services relates to the indivisibility that characterizes such services. Some facilities, such as bridges, tunnels, roads, streetlights, and waste disposal facilities, cannot be divided or partially provided. Either streetlights are provided for the benefit of everybody in the community or they are not. Facilities of this type must therefore be provided publicly and financed through taxation.

The final reason for governmental intervention is the consciousness of the national security. Certain facilities, like the National Ports Authority and the police, are

too vital to be left at the mercy of private citizens.

### **8. Factors Responsible for Low Productivity of Nigerian Workers in Public Sector**

In the course of this study, the paper observed the following as some of the factors responsible for low productivity of Nigerian workers in public sector as follows:

**Poor Educational Background of Workers:** Most of the staff of Nigerian workers in public sector have discovered to be lacking in terms of their educational background, majority of them had the certificates without the basic knowledge, instruction, abilities required of their jobs. Consequently, most of them find it very difficult to steer the affairs of their various positions thereby creating lapses here and there which should not have been.

**Lack of Training:** As rightly defined by Denyer (1975), “training is the adoption or moulding of a person to increase his fitness for a specific activity. Training of workers would make them more productive as well as improve their morale, thereby increasing their loyalty and adaptability of their immediate environment. According to Saasongu (2005), training involves the inculcation, learning and development of skills, knowledge and values required by employees to effectively perform tasks for the organization. It is a conscious effort of management to enhance productivity. Training of employees is a responsibility of organizations as organizations tend to benefit from the training as the skills and knowledge acquired by employees through training is brought to bear or applied in the course of performing tasks. Training is normally aimed at developing employee skills, influencing employee’s attitude towards their jobs and the organization and enlightening employees on the operations of the organization, and their expected roles. In Nigerian workers in public sector, it has been observed that workers in public sector hardly trained in their various

place of work. The belief that, practice makes perfect is no longer apply in our public sector. This adversely affected the level of productivity in the public sector.

**Absence of Participative Management:** When there is an absence of participative management, workers would not be productive. Participative management is a decision making process where workers discuss with their supervisors and influence decisions that affect them. It explores the feelings and opinions of workers about their jobs. With the use of participative management, every group is consulted before any change is initiated. Through this system, every worker develops a sense of participation, which results in high productivity.

**Poor Compensation of Workers:** Compensation packages are reward for performance. They can be in either cash items such as salary, allowances and Christmas bonus or in non cash items which are called fringe benefits such as giving the workers some items from the organization in scripted products such as calendars, cups, wall clocks, and among others. The absence of salary increases or bonuses can be a strong demotivator, primarily because people use money as a scorecard to measure their achievement. Money is also an indicator to the person of how important he or she is perceived to be within the public sector organization. The absence of salary increases or bonuses to some employees would indicate that they are not valued within the organization. If employees go for more than one year without receiving a raise or a bonus, their productivity is likely to decline, and valuable employees may be tempted to look for other employment, which can be costly in rehiring expenses. When there is poor compensation of workers, the workers will not put in their best in their jobs thereby causing low productivity.

**Wrong Choice in Delegation:** Delegation is an organizational process that permits the

transfer of authority from a superior to a subordinate to make commitments, use resources and take action in relation to duties assigned to him. No government can function well and effectively without delegation. Therefore, when wrong people or workers are delegated, this will drastically affect the anticipated results which consequently will be detrimental to the level of productivity.

**Poor communication of the Leaders:** The flow of information in a company can be a powerful tool in motivating its workforce. Communication of clearly stated goals and paths to achievement is the best way to begin developing employee talent (Nelson, 1997). Registering and acting on the communication of employees also gives a powerful message about their value to the company and management (Nelson, 1997). Employees want their company and team to succeed; and when management uses the input to help them be productive, a sense of empowerment and ownership of the process develops. The open communication also gives a measure of control over their work environment and allows for the improvement of each individual working situation. The reward employees receive for communicating is not always what managers might view as an award. As Matejka (1991) says, “. . . giving an employee something pleasant is not the only way to reward. You are also rewarding (making life more pleasant) when you take something away that the employee dislikes”. Enhancing the work life, thereby compensating the employee for the communication, is a way to build rapport and loyalty. When the work environment is pleasant, the employee’s satisfaction and motivation increase. Communication also gives rise to trust between the supervisors and their staff. Trust enables management to give autonomy and to encourage independence, and that trust builds a strong sense of community for the employee. But this is the major problem in Nigerian public sector which leads to low productivity in any sector. There is low flow of communication between the top management and the

subordinate which most often weaken the moral of workers’ productivity.

## 9. Conclusion

As productivity is the lifeblood of our economy and key to high standard of living. Productivity growth is important for the wellbeing of future generation. It is only by productivity that the real national wealth of a country can increase and this can done through competent, hardworking and with the knowledge of manager. Productivity also needs to be measured in order to compare performance. All programmes of production improvement must be planned, organized and controlled.

## 10. Recommendations

The following recommendations are stated below:

For productivity to increased, there should be unity between workers and their fellow workers and also between workers and management. This makes the workers to work as one and work towards the achievement of the organization’s targets.

It is necessary that organization should set out their productivity goal before they even embark on production and the goals must be realistic, specific, comprehensive and meaningful.

Management should lower the rate of labour turnover to help solve this problem low-productivity.

Proper recruitment and selection processes should be adhere to.

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