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**CAUSES OF LOW PRODUCTIVITY IN PUBLIC SECTOR IN NIGERIA:  
A REVIEW OF LITERATURE.**

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**ABSTRACT**

In Nigeria, the issue of low productivity has been an issue for concern- especially more in the public sector than in the private sector. Productivity is the efficient use of resources labour, capital, land, material, materials, energy, and information–in the production of various goods and service This study has tried to review literature on the causes of low productivity in public sector in Nigeria. The study used content analysis. From the study, it is clear that low productivity in public service is attributed to factors like weak effective salary and wages administration, political interference and corruption, inadequate motivation, lack of training and development, insecurity of job as result of casualization of staff, poor funding etc. Some of the recommendations are that low productivity being experienced in the Nigeria public service, will be a history if public servants are well trained, paid , motivated, and certain about the security of their job.

**Keywords:** Productivity, Public, Sector, Low, Department

**INTRODUCTION**

Productivity in the public sector can only achieve desired results if there is sincerity of national interest in the efficient and effective ways of organising and executing public programmes. The public sector has increasingly become saddled with problems of low productivity resulting from political, institutional and sociological factors. This has resulted into nation-less interest or popularly called individual interest.

According to Weber (in Etekpe,2012) public sector is a legal entity operating on the basis of calculable rules, and staffed by professionals. It has uniform, non-arbitrary and non-personal methods of performing its functions. It is, however, criticised for low productivity, due mainly to political, institutional, and sociological factors. These problems are found in large degree and have grossly led to low productivity in the sector. The public sector of every nation is germane to her national development. Perhaps, this accounts for why a larger proportion of the Nigeria national budget has been voted for the creation and sustenance of public enterprises (Adeyemo &

Salami ,2008). Through its ministries, departments and agencies, government puts in place policies, programs and services that help galvanize development at all levels, engender economic progress and increase trust and connection between the managers of the state and the people (Imhonopi, & Urim, 2013).

A critical study of Nigeria's public sector shows that, the cost of running these bureaucratic institutions is so alarming that they became a drain pipe of hard earned resources. This heinous development raises some fundamental questions on their existence and importance as government ministries, departments, and agencies whose major reason for their establishment is to sustain economic and social development of Nigerian state. It is interesting to know, that there is general belief that the politicians and past military juntas were responsible for the state and height of poverty, corruption, low productivity and non-performance of public servants in Nigeria. Considering the theoretical efforts of the governments in all levels of government in Nigeria in improving the public service, one would expect that productivity would be very high in the sector, yet productivity is still very low in the sector.

Some studies have shown that workers in the public sector are poorly motivated and there is a lot of politics in the recruitment of personnel, which makes it all most impossible to employ better hands to handle the jobs. People feel that public job is no man's job and could be handled without seriousness. Merit is killed on the alter of politics. Sometimes, attention is paid to "federal character", or "zoning system" none of which helps to improve productivity in the sector.

## **RESEARCH PROBLEM**

In the Public Service today, there is relatively low level of productivity as most of the personnel are not putting in their best; some are idle, others come late to work and still others are absent from work without permission. There is general laxity amongst workers who believe that government work is nobody's work. Nigerians cannot withstand the competition in the world market; this is also attributable to low productivity especially in the public sectors. In other countries, their level of technology is very high thereby enhancing their level of productivity which puts them in a favourable position in international market. In this regard, this study seeks to find out the causes of this low productivity in the public sector in Nigeria.

## **THEORETICAL LITERATURE**

### **Conceptual Definitions**

One possible means of conceptualizing public sector would be to identify the functions that public sector is expected or do perform. The functioning of a public sector enterprise depends on its sound and efficient organization and the form of an organization has an important bearing on the success and continuity of the enterprise (Nwizu, 2008). Public Sector is the part of the

economy concerned with providing basic and key services. The composition of the public sector varies by country, but in most countries the public sector includes such services as the police, military, public roads, public transit, primary education and healthcare for the poor. The public sector might provide services that has non-exclusive principle (such as street lighting), services which benefit all of society rather than just the individual who uses the service (such as public education), and services that encourage equal opportunity (Investor words). The public sector can be defined as a productive entity or organization, which is owned and/ or controlled by Public Authorities and whose output is Marketed (Obasaolufemi (2015)). The public sector refers to all organizations that exist as part of government machinery for implementing policy decisions and delivering services that are of value to citizens. In Nigeria, it is a mandatory institution under the Constitution of 1999 (Constitution of the Federal Republic of Nigeria (1999), Chapter VI of the Constitution, Executive, Part 1 (D) and Part II (C) provides for a public service at the federal and state levels of government. The Public Sector in Nigeria is made up of the following:

- (1) The Civil Service, which is often referred to as the core service and is composed of line ministries and extra-ministerial agencies; and
- (2) The Public Bureaucracy, which is composed of the enlarged public service, including the following:
  - (a) Services of the state and national assemblies;
  - (b) The judiciary;
  - (c) The armed forces;
  - (d) The police and other security agencies;
  - (e) Paramilitary services (immigration, customs, prisons, etc.);
  - (f) 'Parastatals' and agencies including social service, commercially oriented agencies, regulatory agencies, educational institutions, research institutes, etc. (Constitution of the Federal Republic of Nigeria 1999).

According to ILO working paper on "Statistics on Public Sector Employment: Methodology, Structures and trends" (1999), the public sector is defined as all market or non-marketing activities which at each institutional level are controlled and mainly financed by public authority. It is composed of a general government sector and a public corporation sector. The general government units, social security funds and non-profit, non-marketing public or private institution which are controlled and mainly financed by public authority (SNA: 93).

On the other hand, productivity is defined as a measure of quantifying the output against the amount of input. It expresses the relationship between the quantity of goods and services produced (output) and the quantity of labour, capital, land, energy, and other resources to produce it (input) (Zandin, 2001). The only meaningful measure of industrial competitiveness is productivity (Khurana & Talbot, in Vilasini, Gamage , Kahangamage , and Thibbotuwawa 2012). There are three dimensions to the level of productivity; quantity of input, the cost and the time. It means reduction of quantity of input; cost and time will lead to higher productivity.

According to Prokopenko (1987), productivity is the relationship between the output generated by a production or service system and the input provided to create this output. This productivity is defined as the efficient use of resources labour, capital, land, material, materials, energy, and information—in the production of various goods and service .

There are three fundamental purposes why public sector productivity is very essential. First, public sector is a major employer. Second, the public sector is a major provider of services in the economy, particularly business services (affecting cost of inputs) and social services (affecting labour quality). Third, the public sector is a consumer of tax resources. Changes in public sector productivity may have significant implication for the economy (Thornhill ,2006).

### **Origin of Public Sector in Nigeria**

The growth of public enterprises in Nigeria came against the background of sudden windfall from the oil sector in the 1970s. This stimulated the tempo of public sector intervention in the economic development process. The development strategy at that time took a different shape. Public sector led development strategy was adopted in place of the private sector-driven development strategy that was promoted in the First National Development Plan 1962-1968. In the context of the Second and Third National Development Plans 1970-74 and 1975-80 respectively, not only did the government occupy the commanding heights of the economy, it effectively became the engine of growth -making huge investments in the economic, social and infrastructure sectors. Obadan (2000). The role of government in direct productive activities became more visible and the purpose for which public enterprises were established changed from stimulating and accelerating national economic development under conditions of capital scarcity and structural defects in private sector organizations to that of deliberate heavy intervention in the development process and engine of growth. Obadan (2000).

Accordingly, government established a large public enterprise sector through such economic activities as Banking and Insurance, Manufacturing, Transportation, Oil Exploration, Hotel and Tourism etc. Services provided by the Nigerian Railway Corporation, Water Boards, Ports Authority etc.; hitherto lumped within the civil service structure were restructured into autonomous entities in order to increase their effectiveness. Barren economic fields of strategic

importance which were avoided by private Investors due largely to inappropriate technical/managerial expertise, high capital threshold, and low-profit potential were undertaken by government. Similarly, large monopolistic organizations like the Nigerian National Petroleum Corporation (NNPC), Power Holding Corporation of Nigeria (NEPA), Nigerian Security Printing and Minting Company (NSPMC) and the Defence Industry Corporation (DIC) etc were established to control services deemed too sensitive to be left in the hands of private sector organizations. Business enterprises like the Nigerian National Supplies Company (NNSC) a trading concern considered as traditional preserve of the private sector was established to protect consumers interest through price control. The Nigerian Breweries, NNPC, Liquefied Natural Gas projects etc., were established to enable the state participate in the high profit potential ventures and in order to earn money for further development purposes. The ownership and control of the Centra Bank of Nigeria (CBN), National Insurance Corporation of Nigeria (NICON) and Ministry of Finance Incorporated were to enable it pilot the economy towards desired objectives and priorities.

#### **Reasons for Establishment of Public Enterprises**

- **To provide the necessary infrastructure** like railways, roads, power, telecom, irrigation and so on.
- **To fill the gaps left by the private sector.** The private sector in the early days was not interested in projects which required high investment and involved long gestation periods (e.g. infrastructure projects and core sector such as iron and steel etc). Therefore the government set up these enterprises to promote all round economic development.
- **To protect consumer interests.** In certain areas where consumer interests were affected because of the fraudulent practices of the private sector, the government nationalized the industry and ran it as a public enterprise.
- **To avoid monopolies** and the resultant evils of monopolies such as hoarding, black marketing, restriction of output, creation of artificial scarcity and charging of high prices.
- **To promote public welfare.** The idea is to ensure that the common public gets access to essential products and services at an affordable price.
- **To reduce income inequalities** and ensure equitable distribution of resources.
- **To create large scale employment opportunities** and reduce the unemployment problem to some extent.
- **To promote labor welfare.** Employees in these organizations are provided good pay, perks, decent work environment, job security and retirement benefits.
- To avoid concentration of economic power in a few hands. Such concentration of economic power would have a negative impact on the society.
- To utilize local resources and create value for the society.

## **EMPRIRICAL LITERATURE**

Kenobi (2015) studied public enterprises in Nigeria: a critical evaluation of their performance. The study critically evaluate the factors leading to the dismal performance of public enterprises using the Cross River Newspaper Corporation as a case study. A sample of 360 persons was used for the study. The data for this study was generated from a well-structured questionnaire which was administered on the sample. Research hypotheses were tested using Parsons Correlation Coefficient method. The result of the analyses revealed a positive correlation between the dependent and independent variables. Accordingly, the four null hypotheses were rejected. The research outcome revealed that public enterprises were poorly funded soon after the initial funds provided by government. Secondly, the relationship between changes in political leadership of the state and inconsistent economic policies Vis a Vis poor performance of public enterprises was positive. Thirdly, the relationship between the appointment of management staff on consideration other than merit and the attendant poor performance was positive. Fourthly, it was revealed that in spite of her social commitments; public enterprise can adopt the efficiencies of private ventures and operate profitably.

Anyebe (2015) attempted to reflect on the performance of the public enterprise sector and the reasons for scaling it down. Secondary sources of data were employed for this research. The study revealed that public enterprise sector in Nigeria is characterized by poor performance, mainly as a result of political interference and corruption.

Okeke, Nwele, & Achilike (2017) examined the impact of effective wages and salary administration on civil service productivity in Nigeria using Anambra State as case study. As a descriptive survey design, an item structured instrument developed to reflect the modified 5 points Likert Scale format was used to elicit information from the respondents. The population consisted of 2951 Civil Servants from which a sample of 557 respondents was selected, using a formula developed by Borg and Gall (1973). Whereas percentages and mean ratings were used to answer the research questions, Chi-square ( $\chi^2$ ) test of independence and T- test for independent large sample, ( $n > 30$ ) were used to test the hypotheses. The study revealed that employees need effective salary and wages administration to achieve high productivity in the civil service. The study found also that poor leadership and lack of political will were the major reasons for not fully implementing the minimum wage policy by some state governments including Anambra State.

Wasilu (2013) studied the causes of poor attitude to work. The study empirically analyze the causes of poor attitude to work and is enriched by administering questionnaires to respondents from various sectors in Nigeria. An aggregate of 308 questionnaires were analyzed. Poor attitude to work has a negative impact on productivity level of the organizations in Nigeria. Some of the

prominent findings revealed that Nigerian workers widely held view that inadequate training and development and job insecurity are the possible causes of poor attitude to work.

Obasaolufemi (2015) examined low income and diminishing productivity in Nigerian public sector. The study discovered that most countries with low productivity growth experienced this due to inadequate motivation of employees. While wages and salaries play an important role in determining productivity growth in less developed countries, low income ceases to have a significant effect on productivity growth in highly developed countries due to other motivational incentives and modern technological facilities made available to their employees. Nigerian public sector has low productivity as measured by its output in relation to its capital and labour inputs. This problem is majorly predicated on government non sustainability action towards labor and its insensitivity towards the unprecedented poor wages and incentives given to public workers. The study was to gear up the government to take a pro-active step that will enhance sustainable development which includes: formulation and implementation of good policies on wages and salary review, corruption and mismanagement of funds, good governance, and national development plans.

### **CONCLUSION AND RECOMMENDATIONS**

The issues of productivity is very vital be it private or public sector, but it is more in public sector especially in low income countries because of the way it is configured. From the study, it is clear that in Nigeria, the public sector nick name is low productivity as a result of inefficiency. This can be attributed to factors like weak effective salary and wages administration, political interference and corruption, inadequate motivation, lack of training and development, insecurity of job as result of casualization of staff, poor funding etc.

For meaningful development to occur in Nigeria, it has to start from the public sector and government has to have an effective and efficient salary and wages administration unlike what is currently happening. This will go a long way in motivating the public servants and reduce corruption among them (public servants) as it is said that *living before conscience*. Also, adequate training should be given to them for effective and efficient service delivery and lastly casualization should be criminalize in the system. The low productivity being experienced in the Nigeria public service, will be a history if workers are well trained and certain about the security of their job.

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