



NATIONAL OPEN UNIVERSITY OF NIGERIA

SCHOOL OF MANAGEMENT SCIENCES

COURSE CODE: BHM 749

COURSE TITLE: INTRODUCTION TO PUBLIC SERVICES

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COURSE WRITER:

**DR (MRS) AYODELE O FAGBEMI
SCHOOL OF MANAGEMENT SCIENCES
NATIONAL OPEN UNIVERSITY OF NIGERIA. VICTORIA ISLAND
LAGOS.**

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MODULE 1 HISTORY AND DEVELOPMENT OF MODERN PUBLIC SERVICES

UNIT 1 THE PUBLIC SERVICE CONCEPT

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1.0 INTRODUCTION

The coexistence of any group of people anywhere in the world requires some form of governance administration and division of labour in order to maintain the existence of the group. The concept of public good also indicates that there are some services that are utilized by all members, which are efficient and effective when provided for centrally. The provision of these types of services requires the full time attention of some members of the group. This in a nutshell is the basic theory of public services. Public service organizations deliver services to the people.

The main purpose of this unit is to give you a brief history and development of public services in some selected countries. The unit covers the definitions of civil service and public service, the machinery of government and the origins of public management. The other sections are the conclusion and summary. Self-assessment exercise and tutor marked assignments are also included for your self-development.

2.0 OBJECTIVES

After studying this unit, you should be able to:

- (a) Define civil service;
- (b) Define public service;
- (c) Explain the functions of the three tiers of government;
- (d) Trace the origins of public service management;

3.0 MAIN CONTENT

3.1 Definitions of Civil Service and Public Service

This will be discussed under the following sub-topics:

- (1) Civil Service
- (2) Public Service, and
- (3) Public Sector

3.1.1 Definition of Civil Service

You may have been used to the usage of the terms civil service and public service interchangeably. This is not correct, as there are subtle differences between them. Civil service usually refers to the functionaries of state who are appointed to their government jobs through non-elective process (Ayeni, 1987:87). These functionaries work in the main government Ministries and Extra-Ministerial Departments. The Extra-Ministerial Organizations are headed by Chairmen and not Ministers. Okereke (2003) reinforced this when he notes that civil service refers to government ministries and departments that are charged with the responsibilities of implementing policies. They are those in the service of federal, state and local government services primarily responsible for policy implementation and making inputs available for policy

formulation. Chapter 3, Section 2 of the Civil Service Handbook makes the definition of civil service clear (Federal Republic of Nigeria, 1997). It defines the civil service as follows:

“The civil service is a body or organ which enjoys continuity of existence. Its members unlike members of the National Assembly are not limited to a short term office at the end of which they may not be returned to office When a civil servant relinquishes his office for whatever reason, his place is taken by another person who similarly enjoys security of employment”.

These definitions should make the meaning of civil service clear to you. Whatever the government, whether civil or military, the civil service is indispensable.

3.1.2 Definition of Public Service

Now that you understand the meaning of the civil service let us move to a broader term which is the public service. The term public service is broader and more inclusive. The first definition is that public service refers to government parastatals, which are the operational arm of government ministries as well as the ministries, departments and agencies (MDA). The Public Service on the other hand, in addition to the Civil Service, encompasses the Armed Forces, the Judiciary, the Police, Government Institutions, Parastatals; Government owned Companies and Statutory Agencies.

The second definition refers to service(s) provided by government to its citizens, either directly or by financing private provision of the services.

3.1.3 Definition of Public Sector

Investwords.com (2011) defines the public sector as that part of the economy concerned with providing basic government services. The composition of the public sector varies from country to country, but in most countries, the public sector includes institutions that provide services such as the policing, defense, public roads, mass transit, education, healthcare and electricity. Investorwords.com (2011) further explains that the public sector provides services that non-payer of taxes cannot be excluded from, such as: street lighting, public education and roads. These services are often referred to in economics as public goods.

Self Assessment Exercise 1

1. Define the following terms in your own words:
 - (a) Civil Service
 - (b) Public Service
 - (c) Public Sector
 - (d) Government

2. From your study of this section, what can you infer as the subtle differences between civil service and public service?

3.2 Machinery of Government

This topic is discussed under the following sub-topics:

- (1) Definition of Terms
- (2) The structure of Nigerian government
- (3) Local governments
- (4) Military government structure
- (5) Other National bodies

3.2.1 Definition of Terms

Wikipedia (2011), states that the machinery of government refers to the interconnected structures and processes of government, such as the functions of the executive arm of government. Mills (1861) used the phrase “machinery of government in his publication, “Considerations on Representative Government”. Shafrits and Russel (2005) sees the machinery of government as consisting of all of the structural arrangements adopted by national, state or local governments to deliver legally mandated programmes and services.

Definition of Government

You are very conversant with the word ‘government’, but you need to know in precise terms what it means. Theunissen (2000) defines government as the body or bodies responsible for governing the state. In common usage, the term “government” is often used to refer to any part of the state and public administrative organ. In Nigeria, the government refers to the President, the Federal Executive Council, the Governors and Commissioners at the state level and the Local Government Councils. In general, the term refers to the executive, legislature and judiciary organs.

3.2.2 The Structure of Nigerian Government

The Federal Republic of Nigeria (1997) spells out the structure of the Nigerian Government. This is simplified for your ease of understanding. In Nigeria there is a three tier structure made up of the federal, state and the local governments. The federal and state government three arms which are the legislative, the executive and the judiciary. At the Federal level, the Legislature is known as the National Assembly. At the state level, the legislature may be referred to as the House of Assembly.

The legislature is the law-making body. It is also responsible for approving the budget of Government. The Executive applies the law (or the series of Decrees under Military Rule) which is enforced by the Judiciary.

The Cabinet (the Council of Ministers or Executive Council) is responsible for deciding policies or the activities of Government.

Government policies are carried out by the Executive called Ministries and Extra-Ministerial Departments and “Parastatals”. The Chief Executive of a Ministry is usually a Minister of Cabinet rank. In some large Ministries, there are Ministers of State, who assist the Chief Executives. Extra-Ministerial Departments/Agencies usually have their Chief Executives designated as Chairmen, e.g. The Federal Civil Service Commission, the National Population Commission and the Federal Character Commission. As for the Parastatals, depending on the enabling legislation, the Chief Executive is usually designated as, either Managing Director, Director-General or General Manager. In addition to the post of Chief Executive, each Ministry or Extra-Ministerial Department usually has a Permanent Secretary/Director-General/Secretary who is the Accounting Officer of the establishment. Parastatals, Government owned Companies and Statutory Agencies are usually attached to Ministries or the Presidency for purposes of supervision and co-ordination.

The work of the Civil Service is classified into groups of related matters, which are assigned to Ministries and Extra-Ministerial Departments of Government. Every Chief Executive has general responsibility for the assignment of corporate objectives and management of the resources of the Establishment.

3.2.3 Local Governments

There is a third tier of Government in Nigeria called the Local Government. Officials employed in the Local Governments are also Civil Servants. However, Local Governments are less elaborately structured in comparison with the Federal and State Governments. The Chief Executive of each Local Government is designated as Chairman and the post is elective. The career Civil Servant in the set up is the Secretary.

3.2.4 Military Government Structure

The advent of Military Regimes in Nigeria started on 15th January, 1966, when the armed forces assumed the reins of Government in the Republic for the first time. Since then there have been a few other military administrations.

One Common feature of this form of Government is that the Executive and the Legislature are fused into one. Currently, the Head of Government is designated as the Head of State, Commander-in-Chief of the Armed Forces, while each State Government is headed by a Military Administrator. At the Federal level, the Chief Executives of Ministries are designated as Ministers and they form the Federal Executive Council while at the State level, they are designated as Commissioners and they form the State Executive Council.

The Federal Government is made up of three principal organs, viz: Provisional Ruling Council (PRC), the National Council of States (NCS) and the Federal Executive Council (FEC).

3.2.5 Functions of the Principal Organs of the Federal Government under the Military Regime

(a) Provisional Ruling Council (PRC)

The functions of the PRC include:

- (i) determination, from time to time, of the general direction of government policy and national policy on major issues affecting the Federal Republic of Nigeria;
- (ii) constitutional matters including amendments to the Constitution of the Federal Republic of Nigeria;
- (iii) promulgation of Decrees, Regulations and Orders enforceable throughout the Federal Republic of Nigeria;
- (iv) all national security matters, including the authority to declare war or proclaim a state of emergency or martial law;
- (v) appointment of the Head of State of the Federal Republic of Nigeria, Commander-in-Chief of the Armed Forces, the Chief of General Staff, Military Administrators, Members of the National Council of States and the Federal Executive Council;
- (vi) ratification of the appointment of such senior public officers as the Council may from time to time specify;
- (vii) General supervision of the work of the National Council of States and the Federal Executive Council.

(b) National Council of States (NCS)

The National Council of States (NCS) consists of the Military Head of State, the Chief of General Staff, the Chief Justice of the Federation, the Attorney General of the Federation and Minister of Justice, all the Military Administrators, and the Secretary to the Government of the Federation. The functions of NCS are as follows:

- (i) policy guidelines on financial and economic matters and social affairs in so far as they affect the States;

- (ii) participation in the formulation and general implementation of National Development Plans;
- (iii) advising the Provisional Ruling Council on constitutional matters especially as they affect the States; and
- (iv) Such other matters as the Provisional Ruling Council may from time to time determine.

(c) Federal Executive Council (FEC)

The functions of the Federal Executive Council (FEC) determines the policies of the Federal Government within the framework which may from time to time be determined by the Provisional Ruling Council. The Secretary to the Government of the Federation is the Secretary to all the three Councils – the Provisional Ruling Council, the National Council of States and the Federal Executive Council.

All instruments made by the Head of the Federal Government or the Provisional Ruling Council (PRC) may be executed under the hand of the Secretary to the Government of the Federation. All instruments made by the Federal Executive Council may be executed under the hand of the Minister of the Ministry responsible for the matter in question or under the hand of the Secretary to the Government of the Federation. In the States, the instruments made by the Military Administrator may be executed under the hand of the Secretary to the State Government or the Commissioner to the Ministry responsible for the matter in question.

3.3 The Concept of Civil Service Neutrality

You have been informed that the civil service supports all government irrespective of the party a civil servant votes for. Finer (1965) defines neutrality as impartial service with equal loyalty rendered to any President, Minister, or Commissioner of the government of the day. This definition equated neutrality with impartiality of advice and service to elected politicians of any party (Lungu, 1998).

To make this clear to you, the civil service serves the public's interest. The government may change during an election, but the civil service remains. Since the civil service remains irrespective of the reigning party, the civil service must not sabotage the programmes and policies of the government.

This is however an ideal case. Civil servants as human beings with personal beliefs and values may influence government decisions through “advice” on proposed policies and programmes.

4.0 CONCLUSION

The discussion in this unit centered on the public service. In the course of this discussion, we were able to point out the subtle differences between them civil service and public service. We also discussed the structure of government, the concept of civil service neutrality and the functions of the principal organs of government under a military regime.

5.0 SUMMARY

The public sector can be defined as that part of the economy concerned with providing basic government services. In the public sector, the machinery of government refers to the interconnected structures and processes of government, such as the functions of the executive, legislative and the judiciary. In Nigeria there is a three- tier structure made up of the federal, state and the local governments. The federal and state government has three arms, which are the legislative, the executive and the judiciary. At the Federal level, the legislature is known as the National Assembly. At the state level, the legislature may be referred to as the House of Assembly.

The legislature is the law-making body. It is also responsible for approving the budget of Government. The Executive applies the law (or the series of Decrees under Military Rule) which is enforced by the Judiciary. The advent of Military Regimes in Nigeria started on 15th January, 1966, when the armed forces assumed the reins of Government in the Republic for the first time. Since then there have been a few other military administrations.

One common feature of this form of Government is that the Executive and the Legislature are fused into one. Currently, the Head of Government is designated as the Head of State, Commander-in-Chief of the Armed Forces. You have also been informed that the civil service supports all governments whether military or civilian.

6.0 TUTOR-MARKED ASSIGNMENT

1. Explain in detail the machinery of government in Nigeria.
2. Compare the functions of the principal organs of government in a civilian regime and that of the military.

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MODULE 1

UNIT 2 FUNCTIONS OF CIVIL SERVICE

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1.0 INTRODUCTION

The civil service is the organ of government that is responsible for the implementation of government policies. You should realize that this is an enormous task and would have many sub-functions. Even though the civil service is primarily to implement government policies, it also provides policy inputs in form of data and information. The civil service is the link between one government and the other. It is the custodian of all records of government activities. The policy implantation function of the civil service requires a skilled and well-motivated workforce. Various reforms have aimed at ensuring a professional and well-motivated civil service. \this unit

This unit examines the functions of the Nigerian civil service, as well as the civil services of Britain and the United States of America.

2.0 OBJECTIVES

After studying this unit, you should be able to:

- (a) Enumerate the functions of the Nigerian Civil Service;
- (b) Compare the functions of the Nigerian Civil Service with that of Britain;
- (c) Explain the functions of the United States of America's Civil Service.

3. MAIN CONTENT

3.1 History of the Nigerian Civil Service

The Nigerian Civil Service consists of employees in Nigerian government agencies other than the military. Most employees are career civil servants in the Nigerian ministries, progressing through the ranks on the basis of qualifications and seniority. The Nigerian Civil Service has its origins in organizations established by the British during the colonial times. Nigeria gained full independence in October 1960 under a constitution that provided for a parliamentary government and a substantial measure of self-government for the country's three regions which were the Eastern, western and Northern region. Since then, various panels have studied and made recommendations for reforming of the Civil Service, including the Morgan Commission of 1963, the Adebo Commission of 1971 and the Udoji Commission of 1972 – 74. A major change occurred with the adoption in 1979 of a constitution modeled on that of the United States. The Dotun Philips Panel of 1985 attempted to reform the Civil Service. The later report of the Ayida Panel made recommendations to reverse some of the past innovations of the Dotun Phillips panel in order to have a more efficient civil service (Office of Head of Service of the Federation, 2009). The Civil Service has been undergoing gradual and systematic reforms and restructuring since May 29, 1999 when the military handed over to the civilian government of President Olusegun Obasanjo, after decades of military rule.

In August 2009, the Head of the Civil, Stephen Osagiede Oronsaye, proposed reforms where permanent secretaries and directors would spend a maximum of eight years on the post. The reform, approved by President Umaru Yar'Adua would result in massive retirement of Permanent Secretaries and Directors within a short time. Stephen Oronsaye has said that his goal is for the Nigerian civil service to be among the best organized and managed in the world (Adeniyi, 2009)

3.2 Organization of the Nigerian Civil Service

The federal civil service, from which the state civil services take cue, is mainly organized around the federal ministries, headed by a minister appointed by the President. The president's cabinet must include at least one member of each of the 36 states in his cabinet. The Senate of Nigeria confirms the President's appointments. In some cases, a Federal minister is responsible for more than one ministry (e.g. Environment and Housing may be combined), and a minister may be assisted by one or more ministers of State (Commonwealth of Nations, 2009). Each ministry also has a Permanent Secretary, who is a senior civil servant.

The ministries are responsible for various parastatals (government-owned corporations). The Ministry of Education has the Universities as its parastatals. The National Broadcasting Commission is under the Ministry of Information. Other Parastatals are the responsibility of the Office of the President (The Presidency), such as the Independent National Electoral Commission, the Economic and Financial Crimes Commission and the Federal Civil Service Commission.

The service has six additional units, which provide services to all departments on the Civil Service (Office of Head of Service of the Federation, 2009). They are:

- Establishment and Record Office (E&RO)
- Career Management Office (CMO)
- Manpower Development Office (MDO)
- Management Services Office (MSO)
- Common Services Office (CSO)
- Bureau of Public Service Reforms (BPSR)

Self Assessment Exercise

1. Briefly trace the history of civil service in Nigeria.
2. How is the civil service organized in Nigeria?

3.3 Functions of the Nigerian Civil Service

Ezeani (2006) discusses five functions of the Nigerian Civil Service, which are explained in this unit to enhance your knowledge. The functions are:

- (1) Policy implementation
- (2) Provision of inputs for policy formulation
- (3) Investigative and regulatory functions
- (4) Ensuring continuity of public administration
- (5) Informative function

(1) Policy Implementation

The major function of any civil service including that of Nigeria is to implement the policies of any government in power, whether military or civilian. Irrespective of their political leanings, civil servants are expected to serve the government of the day. The success of any government in power is a function of the expertise, skills and knowledge of the civil servants. As you are aware, good government policies can be poorly implemented. Ezeani (2006) reinforces this when he notes that the function of the civil service is to close the gap between the expression of government intention as represented by their vision, national plans or agenda and their actual accomplishment.

(2) Provision of Inputs for Policy Formulation

Nigerian civil servants provide inputs for decision making by the political class. Through memoranda to their ministers and permanent secretaries, they provide information, data and informed opinions to the political class. The preparation of the nation's plans which could be called many names such as Vision 2020, Agenda (7-point Agenda), National Economic Empowerment and Development Strategies (NEEDS) had a lot of inputs from civil servants and government consultants.

(3) Investigative and Regulatory

Ezeani (2006) discusses the investigative and regulatory function of the Nigerian civil service. According to him, there are many organs of government that are responsible for investigating unacceptable behaviour and also for suggesting appropriate regulations to government. Such organs are: the National Drug and Enforcement Agencies, Economic and Financial Crimes Commission, Internal Revenue Board, and Independent Corrupt Practices and Miscellaneous Offences Commission.

(4) Continuity of Public Administration

As you have read in the definition of civil service, it never dies. It is a continuous organ irrespective of changes in government. Civil servants may retire or disengage their services, but there are others who have been groomed to take over from them. Ezeani (2006) notes that the civil service is a store of knowledge of past government decisions and procedures. They therefore play an educative role by assisting the political class to realize their roles in governance.

(5) Information Dissemination

This function, as you can perceive, is very close to the continuity function. The difference is that the focus here is on the gathering of data and information which provide a databank for national and non-nationals. The civil service, through the Ministry of Information, is responsible for informing the public about the decisions of government as well as the achievements, activities and major events.

3.4 Functions of the British Civil Service

Now that you know the functions of the Nigerian civil service, you need to broaden your knowledge of other countries' civil services. This section is on the British Civil Service. You will discover that the civil service has many different names. In Britain, it is called Her Majesty's Home Civil Service or Home Civil Service. The government of the United Kingdom of which Britain is a part, is composed of a Cabinet of Ministers chosen by the Prime Minister. United Kingdom also includes Wales and Scotland (Wikipedia, 2006).

The British Civil Service implements executive decisions in the United Kingdom. A major difference you should know is that the civil servants in Britain are the employees of the Crown and not Parliament. However, senior civil servants may be called to account to Parliament. Secondly, in Britain, the civil service does not include government ministers (who are politically appointed), but unlike Nigeria, the civil service does not include members of the British Armed Forces, Police Officers, Local Government Officers, members of the National Health Service or Staff of the Royal Household (UK Government, 2007).

There are also two other administratively separate civil services in the United Kingdom. One is for Northern Ireland (the Northern Ireland Civil Service); the other is the Foreign Service or Her Majesty's Diplomatic Service (UK Government, 2011). These organs perform the same five functions performed by the Nigerian Civil Service, which were earlier discussed in this unit.

3.5 Functions of the United States of America's Civil Service

Now that you know about the British Civil Service, it is good that you know about how the civil service in the United States of America operate. According to McDowell and Beliles (2008), the preamble to the US Constitution lists the five functions of government. These are:

1. To establish justice
2. To insure domestic tranquility
3. To provide for common defense
4. To promote the general welfare of American people
5. To secure the blessings of liberty.

Just like in Nigeria, the Government is made up of the Executive, Legislature and the Judiciary. The Civil Service is under the Executive branch. The Ministries in the United States Civil Service are referred to as Federal Executive Departments (Pierce et. al., 2009).

The US Congress can also designate certain agencies explicitly as “independent agencies” (Wikipedia, 2011). These are independent of presidential control, because the president’s power to dismiss the agency head or a member is limited. The Board members serve for terms longer than the usual four-year Presidential term. Examples are:

- The Commodity Futures Trading Commission
- The Federal Election Commission (FCE)
- The Federal Communications Commission (FCC)
- The Federal Maritime Commission (FMC)
- The National Transportation Safety Board (NTSB)

The executive branch of the US government consists of the president, vice president and 15 cabinet-level executive departments. Just like in Nigeria, the USA civil service is responsible for the execution of policies of government.

4.0 CONCLUSION

The unit discussed the functions of the Nigerian civil service and compared this with those of the British and the United States of American (USA) Civil Services. You can see that there are similarities and dissimilarities in the functions of the three civil services discussed. However, in respective of the country, the civil service remains the government policy implementation organ.

5.0 SUMMARY

The Nigerian Civil Service has its origins in organizations established by the British in colonial times. Nigeria gained full independence in October 1960 under a constitution that provided for a parliamentary government and a substantial measure of self-government for the country's three regions. Nigerian Civil Service consists of employees in Nigerian government agencies other than the military. The civil service is mainly organized around the federal ministries, headed by a minister appointed by the President.

The British Civil Service implements executive decisions in the United Kingdom. A major difference you should know is that the civil servants in Britain are the employees of the Crown and not Parliament. However, senior civil servants may be called to account to Parliament.

USA civil service performs five functions of government which are:

1. To establish justice
2. To insure domestic tranquility
3. To provide for common defense
4. To promote the general welfare of American people
5. To secure the blessings of liberty.

Just like in Nigeria, USA Government is made up of the Executive, Legislature and the Judiciary. The Civil Service is under the Executive branch. The Ministries in the United States Civil Service are referred to as Federal Executive Departments (Pierce et. al., 2009).

6.0. TUTOR-MARKED ASSIGNMENT

1. List and briefly explain the functions of civil service in Nigeria.
2. What are the similarities between the Nigerian, British and American civil services?

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MODULE 1

UNIT 3 NEW PUBLIC SERVICE MANAGEMENT

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1.0 INTRODUCTION

The last unit discussed the functions of the civil service. You have learnt that the civil service provides public services to the nationals of a country. This unit deals with how the services should be provided. It also deals with the management principles and practices that have been found to be effective in providing government services. Some of these principles were propounded by early management theorists such as Henri Fayol and Max Weber (Koontz et. al., 1983).

You know that knowledge is ever expanding, hence new ideas came up to build on these early theories. This new idea is called the New Public Management. The basic theory of the New Public Management is that certain management practices techniques utilized in the private sector should be applied in the public sector to make it more efficient-driven.

2.0 OBJECTIVES

After studying this unit, you should be able to:

- (a) Define the concept New Public Management;
- (b) List the fourteen principles of Henri Fayol;
- (c) Explain Max Weber's theory of Bureaucracy;
- (d) Enumerate the New Public Management techniques.

3.0 MAIN CONTENT

3.1 Origins of Public Management

Shafritz and Russell (2005) recount the origins of public management as dating back to the beginning of civilization. Primitive tribes had the sense to organize themselves against attackers. This, as you know, requires a leader, a chief or a warlord to whom people look up to for a sense of direction. Of course, one man cannot rule a tribe alone. Hence, the leader also had a retinue of lieutenants that assist in keeping the tribe together in peace time and defend the tribe in war time. As tribal villages grow into cities more sophisticated system of administration had to evolve. The early principles of hierarchy, line and staff, logistics and communication evolved through the need to defend tribes against attacks (Shafritz and Russell, 2005).

The same authors pointed out that ever since the time of ancient Rome, young men have viewed a start of service as a military officer as a logical prelude to serving in the larger public service or be a political office holder. The essence of this section is to show you that the origin of public service lies in the military and the need to maintain and protect the tribal territories.

3.2 Early Principles of Management

This section would be discussed under the following sub-topics:

- (1) Definition of principles of management
- (2) Fourteen principles of Henry Fayol
- (3) Max Weber's theory of Bureaucracy

3.2.1 Definition of Principles of Management

As you may be aware, there are many management schools of thought. One of them is the Administrative Management theory which is a subdivision of the Classical School of Thought. The most notable writer within this school is Henri Fayol (Koontz et. al., 1983). Fayol made many contributions to management. However, in this unit, we are interested only in his fourteen principles of management. Ezeani (2006) explains that Fayol notes that principles are flexible and capable of adaptation to every need; and it is a matter of knowing how to make use of them, which is a difficult art requiring intelligence, experience and decision making.

3.2.2 Fourteen Principles of Management propounded by Henri Fayol

Fayol (1949) identified the following fourteen principles of management which have been widely used in both the public and private sectors. They are simple and you should be able to remember them easily. Table 1 shows the fourteen principles of Henri Fayol.

Table 1: Fourteen Principles of Henri Fayol.

S/N	Principles of Management	Explanation
1.	Division of work	Employees should specialize in certain areas and have those areas as their function
2.	Authority	The right to give orders and the power to exact obedience (Fayol, 1978)
3.	Discipline	Obedience and respect for constituted authority
4.	Unity of command	One man/woman and one boss
5.	Unity of direction	Everybody in the organization works for the same mission
6.	Subordination of individual interest to general interest	Interest of the organization should come before personal interest

7.	Remuneration of personnel	Equal work for equal pay
8.	Centralization	Central control of activities
9.	Scalar chain	Line of authority and accountability
10.	Order	Everything and everyone in their rightful place
11.	Equity	Fair treatment of employees
12.	Stability of tenure of personnel	Security of employment
13.	Initiative	Employees should be able to think, propose ideas and execute them
14.	Espirit de corps	Spirit of harmony and cooperation in the workplace

Source: Koontz et. al., 1983

3.2.3 Max Weber's Theory of Bureaucracy

Max Weber 1864 – 1920 (Ezeani, 2006) contributed many ideas of the management of an organization. However, in this section, you will learn only about the management of organization through rules and rational authority. Weber (Macrae and Pitt, 1980) states that bureaucracy is a rational form of organization. It implies:

- (a) an organization's structure that is based on rules and procedures which are intended to help it achieve its objectives;
- (b) such rules provide a system of order within which the work of an organization can be conducted.

By introducing rules, you would note that this brought the management of organizations from personal administration (where the owner will be present) to impersonal system based on rules. You can now see that this formed the basis of public service rules as well as private sector organizations' rules.

SELF ASSESSMENT EXERCISE

1. List ten and explain ten of Henri Fayol's principles of management.
2. what are the differences if any between Henri Fayol's principles and Max Weber's theory of Bureaucracy.

3.3 New Public Management Techniques

Before discussing the new public management techniques, it is important to define the concept. The last section, you would recall, was on the theory of bureaucracy. Your experience would have revealed to you that having rules alone does not make for organizational effectiveness. Other techniques are required. This led to the introduction of New Public Management.

Wikipedia (2006) states that the new public management (NPM) is a management philosophy used by governments since the 1980s to modernize the public sector. NPM is a broad and very complex term used to describe the wave of public sector reforms throughout the world since 1980s. The basic theory of NPM is that more market-oriented approaches in the public sector will lead to greater cost-efficiency and effectiveness. It introduced competition into the public sector. The main techniques of NPM to be discussed in this section are:

- (1) Performance management
- (2) Decentralization
- (3) Benchmarking
- (4) Total quality management (TQM)
- (5) Public private partnership (PPP)

3.3.1 Performance Management

You may have realized that getting employees to perform their assigned duties is the problem of every chief executive of an organization. This is more pronounced in the public service. To ameliorate this inertia the performance management technique has been proposed. Its objectives are (Fagbemi, 2006) to:

- (1) ensure the continuous relevance of an organization's mission;
- (2) ensure managers have the capacity to derive goals from the mission statement;
- (3) equip managers with the capability of deriving short-term objectives/targets from the goals of the organization;
- (4) use target setting, accountability, performance standards and measures to enhance employee performance;
- (5) equip managers with skills to appraise and review organizational and individual performance;
- (6) use reward as incentive for high performance.

These objectives provide the framework of performance management.

3.3.2 Decentralization

Another performance management technique you need to know is decentralization. Decentralization is the dispersion of power among the various machineries of government to enable an increasing number of people identify with the nation's social, economic and political choices. It is the transfer in varying degrees of power, functions, responsibilities and resources of the state from the centre to autonomous regional, provincial, local authorities and other agencies of the central government. In Nigeria, the central government is the federal government.

3.3.3 Benchmarking

A benchmark is a standard or point of reference. Benchmarking is a useful tool for comparing the performance between and among organizations or different units of an organization. The aim is to identify best practices which can be emulated by other organizations or units as the case may be. You can think of problems that your organization have tackled well, the methods of which can be useful to other organizations. This technique was used in the United Kingdom Department of Employment, in its contract branch, to provide continuous improvements and planned innovation in its operation (Kaul, 1998).

Kaul (1998) suggests the following benchmarking process:

- (1) Plan – Design a programme around a key process.
- (2) Measure – Establish the benchmark and current performance.
- (3) Analyze – Find the best practices and identify areas for improvement.
- (4) Implement – Implement best practices.

3.3.4 Total Quality Management (TQM)

You probably have heard of the acronym TQM. It has become a popular technique in both private and public sector organizations. This technique is directly related to improving the delivery of public services. Its emphasis is on:

- (a) High quality service/product; and
- (b) Customer satisfaction.

Quality refers to the degree of excellence in producing a desired output or service. It is characterized by zero tolerance for errors or dissatisfaction (Deming, 1986). TQM is a structure system of meeting and exceeding customer needs. Customer satisfaction is the primary goal and ultimate measure of quality in any public service organization.

An aspect of TQM that you need to know is the Quality Improvement Principles of Deming. Deming you would recall was one of the proponents of the TQM theory.

The Deming's (1986) quality improvement principles are:

1. Create constancy of purpose – everyone must clearly understand the mission of the organization and his/her role in achieving it.
2. Adopt the new TQM philosophy – We can no longer live with commonly accepted levels of delays, mistakes, defective materials and defective workmanship.
3. Cease dependence on mass inspection. Require instead, statistical evidence that quality is built in.
4. End the practice of awarding business on the basis of a price tag.
5. Find problems. It is management’s job to work continually on the system.
6. Institute modern methods of training on the job.
7. Institute modern methods of supervision of production workers. The responsibility of the foreman must be changed from numbers to quality.
8. Drive out fear, so that everyone may work effectively for the company.
9. Break down barriers between departments.
10. Eliminate numerical goals, posters and slogans for the work force, asking for new levels of productivity without providing new methods.
11. Eliminate work standards that prescribe numerical quotas.
12. Remove barriers that stand between the hourly worker and his right to pride in workmanship.
13. Institute vigorous programmes of education and training.
14. Create a structure at top management that will push everyday, all the above 13 points.

3.3.5 Public Private Partnership (PPP)

Another NPM technique that you may have heard about is public-private partnership. This, as the name implies, is the working together of the public and private sector organizations to achieve the goals of national development. This type of partnership could be in the provision of health, educational services. It also includes the various outsourced services in the Ministries, Departments and Agencies (MDAs).

PPP can be helpful in:

- Mobilization of private funding for public services. For example, the organized private sector in Nigeria is expected to pay a certain amount of their profit as Nigeria’s Education Tax Fund.
- Policy Monitoring Evaluation – Private sector organizations such as the Lagos Chamber of Commerce and Industry; Manufacturers Association of Nigeria; etc. monitor the implementation of government.
- Development of Technology – The private sector develops technology that is used in the public sector, such as ICT technologies.

Problems of PPP

Loafer (1999) identified some problems of PPP. Some of these are listed for your information.

1. There is the politicians' fear of losing control over policy making, if the private sector is permitted too much involvement in governance, there might be conflict of interest.
2. Consumers or customers may bear the brunt of too much closeness between the policy makers and service providers, through high-price exploitation.
3. There might be unclear responsibilities and accountability especially information hoarding by the two parties.

4.0 CONCLUSION

From what you have read in this unit, you can see that public sector managers require new techniques and practices to perform in the first century. While the old schools thought cannot be completely jettisoned, the new public management techniques have to be integrated. This integration will enhance the achievement of the functions of the civil service.

5.0 SUMMARY

This unit discussed the origins of public management as rooted in the primitive tribes. It also touched on the early principles of management such as Henri Fayol's principle in which the new public management techniques were built. The new management technique, you would recall are management practices and technique utilized in the private sector which can be applied in the public sector. Those discussed are: Performance Management, Total Quality Management, Decentralization, Benchmarking, and Public Private Sector Partnership.

6.0 TUTOR-MARKED ASSIGNMENT

1. Explain Deming's fourteen principles of Total quality management.
2. Discuss the objective of perform Management technique.
3. Explain the use of Benchmarking and Public Private Sector Partnership in the public service.

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MODULE 1

UNIT 4 HISTORY OF PUBLIC SERVICES

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1.0 INTRODUCTION

Since the time immemorial, human beings have existed in groups and have subsequently managed their affairs through one form of leadership or another. Peaceful coexistence usually requires an acceptable mode of common resource sharing and protection of lives and property. Resources, whether rightfully or wrongly acquired, need to be managed. This need led to the emergence of machinery to be responsible for ensuring the management of common resources as well as the protection of lives and properties.

This unit gives you a brief history of the origin of public services in Britain, the United States of America and Nigeria. Being your home country, an extensive history of public service in Nigeria is provided as follows:

2.0 OBJECTIVES

After studying the unit, you should be able to:

- (a) Explain how the British Civil Service started;
- (b) list the characteristics of the United States of America's Civil Service in the 19th century;
- (c) Enumerate the main features of the Nigerian Civil Service from the colonial era to the present civilian administration.

3.0 MAIN CONTENT

3.1 History of Public Service in Britain

You remember that Nigeria was colonized by the British and therefore Britain has a lot of influence on the Nigerian public service structure and functions. This is why, it is logical for you to know about the history of the British Civil Service. This section comes largely from Wikipedia (2006, retrieved March, 10, 2011). Wikipedia (2006) recounts that offices of states grew in England and later in the United Kingdom, piecemeal. This implies that they grew out of small secretariat of the leaders in those days. These are men who work for the Queens and Kings.

In the 18th century, the British Empire expanded to other colonized countries; hence there was the need for institutions such as Office of Works and the Navy Board. Office of Works is like our Ministry of Works. You should take a look at the map of Great Britain and you would see it is largely surrounded by water. The major means of transportation at that time too was by the sea, hence the growth of the Navy Board. Each of these two institutions had its own system and staff appointed by patronage and hiring. By the 19th century, it was clear that this type of arrangements were not working.

A permanent, unified and politically neutral civil service, in which appointments were made on merit, was introduced on the recommendations of the Northcote-Trevelyan Report of 1854. The report also recommended a clear division between staff responsible for routine (“mechanical”) work, and those engaged in policy formulation and implementation in an “administrative” class. The report was well-timed, because bureaucratic chaos in the Crimean War promptly caused a clamour for the change. A Civil Service Commission was accordingly set up in 1855 to oversee open recruitment and end patronage, and most of the other Northcote-Trevelyan recommendations were implemented over some years.

The Northcote-Trevelyan model remained essentially stable for a hundred years. This was a tribute to its success in removing corruption, delivering public services (even under the stress of two world wars), and responding effectively to political change. (Wikipedia 2011).

Lord Fulton’s Committee Report

Following the Second World War, however, demands for change again grew. There was a concern that technical and scientific expertise was increasing to a point at which the administrative civil servants with classics or other arts degree could no longer cope.

Lord Fulton’s committee’s report in 1968 found that administrators were not professional enough, and in particular, lacked management skills; that the position of technical and scientific experts needed to be rationalized and enhanced; and that the service was indeed too remote from the people. His 158 recommendations included:

- (1) the introduction of a unified grading system for all categories of staff, a Civil Service College and a central policy planning unit;
- (2) that the control of the service should be taken from the Treasury, and given to a new Department; and
- (3) the “fast stream” recruitment process for accessing the upper echelons should be made more flexible, to encourage candidates from less privileged backgrounds.

The new Department was set up by the Prime Minister Harold Wilson’s Labour Government in 1968 and named the Civil Service Department, known as CSD. But whether through lack of political will, or through passive resistance, Fulton’s recommendations failed. The Civil Service College equipped generalists with additional skills, but did not turn them into qualified professionals. Recruits to the fast stream were self-selected, with the universities of Oxford and Cambridge still producing a large majority of successful candidates. The younger mandarins/high ranking/powerful officers found excuses to avoid managerial jobs in favour of the more prestigious policy postings. The generalists remained on top, and the specialists were the implementers of the government policies.

From 1979 when Margaret Thatcher took office as the Prime Minister of Britain, the British Civil Service had undergone many reforms. Among these were:

- (1) The abolition of the Civil Service Department in 1981 (Sampson, 1982);
- (2) The introduction of a comprehensive system of corporate and business planning;
- (3) The launching of an Efficiency and Effectiveness in the civil service known as the Next Steps Initiative;
- (4) The introduction of Performance Related Pay which was introduced in 1984;
- (5) The Citizens Charter was introduced in 1992. The citizen's charter is like the Nigerian SERVICOM. Each Ministry is to state clearly in a document, its goals, how it will be serving the public and the requirements to access such services. (Samson,1982).

3.2 History of Public Service in the United States of America

In the United States of America (USA), the civil service was established in 1872. The Federal Civil Service is defined as “all appointive positions in the executive, judicial, and legislative branches of the Government of the United States, except positions in the uniformed services” (5 U.S.C. § 2101). In the early 19th century, government jobs were held at the pleasure of the president – a person could be fired at any time. The spoils system meant that jobs were used to support the political parties. (Zarka 2007).

During the nineteenth century, civil service was based on the Spoils System. The Spoils System (patronage) is the policy of giving government jobs to political party workers who have supported a victorious candidate. The practice began during the Thomas Jefferson presidency. At the height of patronage, every administration was marked by massive removals of officials working for the department administration. As a matter of fact, political sympathy and partisan activity were now required as a condition of appointment. Eventually, the Spoils system was associated with corruption and a reform came about. A Rhode Island representative by the name of Thomas Jenckes introduced reform legislation to Congress in 1865, but it was not approved. Demands for reform increased after the political scandals of the Grant administration.

In 1871, George Curtis organized the Civil Service Reform League. That eventually led to more people recognizing the need for reform, and then came the Pendleton Act. The Pendleton Act of 1883 was the first comprehensive national reform program. The Act established the United States Civil Service Commission. This Act classified that government jobs were now being applied for and given to those whose abilities fit the best position.

This Act classified certain jobs, removed them from the patronage ranks, and once again established the Civil Service Commission to administer a system based on merit rather than political connections. (Zarka, 2007).The Senate also allowed the applicants to enter a federal position above the lowest level.

By 1909, almost $\frac{2}{3}$ of the U.S.A. federal work force was appointed based on merit, that is, qualifications measured by tests. Political appointees fill certain senior civil service positions, including some heads of diplomatic missions and executive agencies. Under the Hatch Act of 1939, civil servants are not allowed to engage in political activities while performing their duties.

The U.S. civil service includes the Competitive service and the Excepted service. The majority of civil service appointments in the U.S. are made under the Competitive Service, but certain categories in the Diplomatic Service, the FBI, and other National Security positions are made under the Excepted Service (U.S. Code Title V). U.S. state and local government entities often have competitive civil service systems that are modeled on the national system, in varying degrees.

The Pendleton Act (Civil Service Act) also accelerated politics and administration. President Jimmy Carter abolished the Civil Service Commission and divided its functions among the Merit Systems Protection Board, the Office of the Special Counsel, and the Office of Personnel Management. The Office of Personnel Management is responsible for administering a nationwide merit system for federal employment, recruitment, examinations and training.(zarka 2007).

As of January 2007, the Federal Government, excluding the Postal Service, employed about 1.8 million civilian workers. The Federal Government is the Nation's single largest employer. Although most federal agencies are based in the Washington D.C. regions, only about 16% (or about 288,000) of the federal government workforce is employed in this region.

Self Assessment Exercise

1. State the contributions of Northcote- Trevelyan model to the British civil service.
2. Explain the difference between competitive service and excepted service in the USA.

3.3. History of Public Service in Nigeria

This section is discussed under the following subsections: Nigerian civil service under the British rule, the Nigerian civil service in the first republic, Nigerian civil service under the military and the Nigerian civil service of the 4th republic.

3.3.1 Nigerian Civil Service under the British Rule

You have learnt of the history of civil service in Britain and the United States of America. These countries may be far away for you. Hence, it is good to know about our own country, Nigeria. Kirk-Greene (1968) explains that the evolution of the public service in Nigeria is in five stages. These are:

- (1) The Law and Order Stage of 1890s – 1910 – Balogun (1983) reports that the British government on New Year's Day in 1900 assumed the responsibility for the administration of Nigeria. The major role of the British Administration was the maintenance of law and order.

- (2) The Consolidation Stage of 1910 – 1925 – This period was the beginning of a legal – rational order and a modern bureaucratic system (Balogun, 1983). This was the period of allegiance of traditional rulers to British Crown.
- (3) The Economic Development Stage of 1925 – 1945 – During this period, the colonial bureaucrats constructed roads, bridges and railway networks. Other developments include construction of dispensaries and provision of pipe borne water.
- (4) The Political Development Stage of 1945 – 1952, and
- (5) The Transition to Independence and Stage of rapid Nigerianization from 1952 – 1961.

The last two stages witnessed the end of the Second World War which opened the eyes of Nigerians to the values of political independence. There were demands for the Nigerianization of the public service and independence for Nigeria. These demands were met. In October 1, 1960, Nigeria became independent and became a Republic in 1963. A republic is a political system or form of government in which people elect representatives to exercise power for them (Post, 1964).

3.3.2 Nigerian Civil Service in the First Republic

At independence, the federal government was under the Prime Minister and the Governor General was appointed by the Queen. At that time, there were still British officials as permanent secretaries and professional heads of departments with a few Nigerians. In 1963, the Nigerian constitution was changed and Nigeria became a republic; the president was no longer appointed from abroad. He was chosen in Nigeria but didn't have executive powers which then resided with the Prime Minister and ministers. In the North, a lot of expatriates were retained as permanent secretaries and professional heads of departments for five, up to seven years on contract basis.

The civil service was allowed to function in its traditional British form and almost throughout the period of nine years that Generals Aguiyi Ironsi and Yakubu Gowon ruled Nigeria as military heads of state, the system was allowed to work. Every civil servant was employed by the Civil Service Commission or the Public Service Commission as it used to be called. At that time, workers were vetted, recruited, appointed, graded, disciplined by the Commission. Minister could neither appoint nor remove civil servants and could not directly discipline them. Things started to change after the coup that overthrew Gowon in 1975, when thousands were summarily dismissed without the benefit of defending themselves.(Wikipedia 2011).

The Public Service Commission was the buffer that separated the civil service from the political leadership and it also shielded the service from undue meddling from politicians. It was a big factor; as it had people who were respected in the society. As such the civil servants were outstanding, they did their work, they told the truth and if you wanted them to do what was not right, they will tell you that this is wrong. In the first republic, the politicians and civil servants worked towards the same objective but the method and approach may be different. However, the minister had the right to decide against the recommendations of the permanent secretary notwithstanding all evidence.

The first republic commenced on October 1, 1960 and ended on 14th January, 1966.

3.3.3 Nigerian Civil Service under the Military

If you are old enough, you would know that from 1960 to the end of 1990, the military ruled Nigeria for 21 years. Altogether, there were five coups de'tat involving change of government. according to the U.S. Library of Congress (2011), these were in January 15, 1966; July 29, 1966; July 29, 1975; December 31, 1983; and August 27, 1985. There was an unsuccessful coup in February 1976 and another unsuccessful one in April 1990. The military intervention was attributed to the mismanagement of the Nigerian economy. The civil service played a prominent role in Nigerian economic development under the military.

Until the 1988 reforms, the civil service was organized strictly according to British traditions. It was apolitical, civil servants were expected to serve every government in a non-partisan way. The norms of impersonality and hierarchical authority were well entrenched (U.S. Library of Congress, 2011).

By 1990, the civil service had been politicized to the extent that most top officials openly support the government of the day. The introduction of the Federal Character Clause into recruitment and promotion eroded the culture of meritocracy from the civil service.

3.3.4 Nigerian Civil Service in the Fourth Republic

Just to take you back to the memory lane, December 5, 1998, January 9, 1999, February 20 and February 27, 1999 respectively, the then National Electoral Commission (NEC) successfully held elections in Nigeria. This led to the swearing in of former President Olusegun Obasanjo, as the new Civilian President on May 29, 1999. Since then, Nigeria has not had any military intervention in politics. This is the fourth republic.

Since 1999, the Executive arm of government had been run by:

- | | | |
|-----|------------------------------------|-----------------------------|
| (a) | Former President Olusegun Obasanjo | May 29, 1999 – May 29, 2007 |
| (b) | Umaru Yar'Adua | 29 May, 2007 – 5 May, 2010 |
| (c) | Goodluck Ebele Jonathan | 6 May, 2010 – to date |

The 1999 Constitution Chapter VI, Section D, Para. 169 (Federal Government of Nigeria 1999) state that there shall be a Public Service of the Federation. The Principal Officers of the Public Service are:

- (1) Secretary to the Government of the Federation
- (2) Head of the Civil Service of the Federation
- (3) Ambassador, High Commissioner or Other Principal Representative of Nigeria aboard

- (4) Permanent Secretary in any Ministry or Head of Extra-Ministerial Department; and
- (5) Any Officer on the Personal Staff of the President.

The Constitution, specifically, states that an appointment to the Office of the Head of Civil Service of the Federation shall be made except from among Permanent Secretaries or equivalent rank in the Civil Service of the Federation or of a State.

An underlying principle is in paragraph 171 of the 1999 Constitution which states that in exercising his powers of appointment, the President shall have regard to the federal character of Nigeria and the need to promote national unity.

4 CONCLUSION

Civil service in respect of the scope is aimed at implementing government roles and regulation. In all the civil services discussed, appointment by merit is advocated as the best way to get the needed human resources into the system. While the basic structure of minister, permanent, secretary and other civil servants remains constant, reforms are periodically undertaken to keep the structure, systems procedures commensurate with current needs

5 SUMMARY

The unit discussed the history of public service in Britain, United state of America and Nigeria. The Britain civil service was based on the Northcote- Trevelyan report of 1854, with modifications thereafter. The lord Fulton's committee's reports build on the Northcote-Trevelyan report. In the U.S.A, the spoils system dominated the civil service until 1883 when the Pendleton Act came on board. Since then the merit system prevailed.

In Nigeria, there was the progression of the civil service from the law and order stage in the 1890s-1910. To rapid Nigerianization stage from 1952- 1961.

There were five military coups. Since 1999, Nigeria has not had any military intervention in politics.

6 TUTOR-MARKED ASSIGNMENT

1. Explain the 5 stages of evolution of public service in Nigeria.
2. List three recommendations of the Lord Fulton's committee report.
3. Explain the role of the spoils system in the U.S.A civil service.

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MODULE 1

UNIT 5 OVERVIEW OF NIGERIAN PUBLIC SERVICE REFORMS

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1.0 INTRODUCTION

From time to time, the Executive arm of government introduces reforms to meet the changing public service environment and to solve emerging or anticipated problems from the day to day running of national affairs. You would recall that many Commissions were set up to review aspects of the civil service. Some were set up to review salaries and wages, while others were set up to review the administrative machinery processes, structure and functions of the various arms of government. This unit will take you through the salient features of these reforms.

2.0 OBJECTIVES

After studying this unit, you should be able to:

- (a) define reforms;
- (b) explain the problems to be solved by the reforms;
- (c) identify the major recommendations of each of the reforms;
- (d) appraisal of the effectiveness of the current reforms.

3.0. MAIN CONTENT

3.1 Concept of Public Service Reforms

Reforms mean beneficial change, more specifically, to repair, restore or to correct (Wikipedia 2011). It can also be seen as a campaign to correct abuses or malpractices in the system (<http://wordnet.princeton.edu/perl/webwn>). Taylor (2011) reiterates the Oxford English Dictionary's definition of reform, which is the amendment, or altering for the better, of some faulty state of things, especially of a corrupt or oppressive political institution or practice; the removal of some abuse or wrong.

In this case, reforms are new ideas, and recommendations that can lead to improved results-oriented public service; that can deliver needed public services to the citizens. In the Nigerian public service, reforms have been carried out as far back as 1946. The next section will take you through the highlights of the various reforms carried out to date.

3.2. Pre-Independence Reforms

The last section gave you an idea of the meaning of reforms. This section will discuss the main features of reforms of the public service that were undertaken before October 1, 1960 when Nigeria became independent. Reforms are usually named after the surname of the Chairman of the Panel or Commission. The reforms to be discussed are:

- (1) Sir Walter Harragin Reforms of 1946
- (2) Sir H.M. Foot Reforms of 1948
- (3) Gorsuch, L.H. Reforms of 1954 – 1955
- (4) News, A.F.F.P. Reforms of 1959

- (5) Justice I.N. Mbanefo Reforms of 1959.

3.2.1 Sir Walter Harragin Reforms of 1946

These reforms were to review the salary and administrative structure of established staff at that time. The Harragin Commission was to review and make recommendations on (Maduabunn, 2006):

- (1) General standards of remuneration and super annuation payments;
- (2) Machinery for adjusting remuneration to variations in the cost of living;
- (1) Recommend suitable machinery, for regulating the selection and promotion of candidates;
- (2) Suitable arrangements for consultation between the government and staff representatives.

The Commission recommended the following among others:

- (3) award of substantial increase in salaries by way of Cost-of-Living Allowances;
- (4) creation of higher entry point of salaries for African Technical Staff;
- (5) creation of a two-service structure known as “Senior Service” and “Junior Service”;
- (6) introduction of civil service examinations in the junior service and emphasis on non-monetary benefits.

3.2.2 Sir H.M. Foot Reforms of 1948

These reforms were on the recruitment and training of Nigerians for appointments to senior posts in the civil service. Because of this, it is often referred to as the Nigerianisation Commission (Maduabum 2006). Some of the recommendations were:

- (1) No Non-Nigerian should be appointed to any Government post except where there are no suitable and qualified Nigerians;
- (2) Departmental Selection Board should be appointed to make recommendations for promotions to the senior service; and for selection of junior officers for training;
- (3) The system of study leave should be opened to junior staff.

3.2.3 Gorsuch L.H. Reforms of 1954 – 1955

The Gorsuch Commission was set up to inquire into the structure, remuneration of the public service and examine the problems of the future Federal and Regional governments. The Commission recommended that the Public Service Commission was to be solely responsible for the appointments, promotion and discipline of public officers. In terms of structure, the Commission recommended five grades of administrative officers and five grades of professional officers(Table 2) as follows (Maduabum, 2006):

Table 2: Five Grades of the Gorsuch Reforms

S/N	Administrative	Professional/Technical
1.	Sub-Clerical	Minor Technical
	Clerical	Technical
	Executive	Higher Technical
	Administrative	Professional
	Superscale	Superscale

Source: Maduabunn (2006: 43).

3.2.4 Newns A.F.F.P. Reforms of 1959

This Commission was set up to work out modalities for the integration of Ministries and Departments, to define the roles and functions of Permanent Secretaries and evolve administrative machinery for the operations of the Ministries. The Commission recommended the merger of the professional and administrative divisions. The Commission also gave the Permanent Secretary the power of general supervision of the Ministry and to act as the link between the Minister and the Heads of Departments.

3.2.5 Justice I.N. Mbanefo Reforms of 1959

The Mbanefo Commission was set up to look into the public services wages and salaries. The Mbanefo Commission had as its terms of reference, the examination of wages and salaries in the Northern, Eastern and Federal Public services (Balogun 1983).

Self Assessment Exercise 2

1. Define in your own words the term “reform”
2. List five major reforms from 1946 to 1959. What were their objectives?

3.3 Post-Independence Reforms (1963 – 2011)

Under these reforms are:

- (1) Morgan Commission
- (2) Elwood Team
- (3) Adebo Commission
- (4) Udoji Commission
- (5) Falae Report
- (6) Dotun Phillips Report
- (7) Koshoni Report

- (8) Ayida Report
- (9) Obasanjo Reforms

3.3.1 Morgan Commission (1963 – 1964)

This Commission was set up to review the wages, salaries and conditions of service of junior employees in both public and private sectors. The Commission recommended Daily Wage System, Payment for all on public holidays and national minimum wage.

3.3.2 Elwood Team (1966)

This grading team was to inquire into any anomalies in the gradings and other conditions relating to all posts in the public service.

3.3.3 Adebo Commission (1970 – 1971)

The Adebo Commission was set up in 1970 to review the existing wages and salaries at all levels in the public service; examine areas in which rationalization and harmonization of wages and salaries are desirable.

The major recommendations include:

- (1) The setting up of a Public Service Review Commission to review the structure, and grading structure of the service;
- (2) More attention should be paid to performance of staff and less on seniority;
- (3) Public enterprises should have complete autonomy to operate.

3.3.4 Udoji Commission (1972 – 1974)

This is the Public Service Review Commission recommended by the Adebo Commission. The Commission was to look into the organization, structure and management of the public service. It was also required to re-grade all posts in the public services and establish scales of salaries corresponding to such grades. The Udoji Commission recommended among others:

- (1) A new style of public service management through the utilization of Management by Objectives (MBO), Programme Planning Budgetary System (PPBS) and Project Management techniques;
- (2) A new unified grading and salary structure for the service;
- (3) Open reporting performance appraisal system.

3.3.5 Falae Committee Report (1976)

The Falae Committee was set up to re-appraise the civil service due to the prevailing poor attitude to work at that time. The Committee was also to determine the fall in standards of performance of public servants and make appropriate recommendations. The Committee recommended the need to focus training on all staff irrespective of status and roles. It also recommended the need to decentralize training to the level of each Ministry.

3.3.6 Dotun Phillips Study Team (1985)

This study team was set up to examine the adequacy of the structure, composition and methods of operation of the civil service to cope with the current demands on government. The team was also to determine the extent of overstaffing at all levels, among others

The team recommended the following, among others:

- (1) The designation of the Minister as the Chief Executive and Accounting Officer;
- (2) Full Politicization of the post of the Permanent Secretary;
- (3) Professionalization of the Civil Service such that an officer makes a career in a Ministry of Choice;
- (4) Decentralization of powers of appointment, promotion and discipline, otherwise carried out by the Federal Civil Service Commission.

These recommendations were examined by a Task Force headed by Vice Admiral Patrick Koshoni. The 1988 Decree 43 was promulgated on the Dotun Phillips Team's recommendations.

3.3.7 Ayida Panel Report (1994)

The Panel was to re-examine the provisions of Decree 43 and make recommendations to take care of the criticisms. The Panel submitted an interim report in 1995, which reversed some of the recommendations of Dotun Phillips Team. Some of these are:

- (1) The Permanent Secretary was to be the accounting officer and not the Minister;
- (2) Office of the Head of Civil Service should be restored;
- (3) Decree 43 of 1988 should be abrogated.

3.3.8 Obasanjo Reforms

When former President Olusegun Obasanjo took over the reigns of government in 1999, there were many problems and challenges in the public service. Among these are: over-bloated service, corruption, inadequate human and institutional capacities, aging population (Adegoroye, 2006). To arrest these problems, the following reforms were carried out by Obasanjo with the aim of improving service delivery and promoting good governance (Adegoroye, 2006).

The focus of Nigeria's Public Service Reforms are in the following four key areas, all targeted at improving service delivery and promoting good governance:

- (i) **Budget and Financial Management**
 - Procurement system review
 - Institutionalization of fiscal responsibility
- (ii) **Accounting Issues**
 - Installation of due process, transparency and accountability in government transactions;

- Establishment of service charters.
 - Setting up of Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Miscellaneous Offences Commission;
 - Institutionalization of compliance enforcement.
- (iii) **Human Resources Management**
- Personnel records and payroll cleaning
 - Staff cadre reviews
 - Remodeling of recruitment and promotion procedures, including injection of competent professionals, young and bright people as well as experts with rare skills into the Service
 - Installation of a new Performance Management Scheme
 - Transformation of the present Administration Departments into professionally manned Human Resources Management Departments with competencies for strategic functions such as Manpower Planning, Career and Succession Manning, Training and Development, etc.
 - Undertaking Pay Reform as one of the strategies of attracting and retaining talents in the Service
 - Massive Capacity Development and Training
 - Organizational culture change.
- (iv) **Operations and Systems**
- Organizational restructuring and right-sizing
 - Work process re-design
 - Information technology applications.

Self Assessment Exercise 3

What are the highlights of the Obasanjo reforms?

4.0. CONCLUSION

The public service environment is always changing. The effort of globalization and information communications Technology, manifest in new ways of carrying out the functions of government. This situation implies that reforms of government systems, structures and processes will be with us for a long time. Whatever the recommendations of any commission or committee, it is important that government should know when they have achieved their usefulness. It is also important that governments should know when to initiate Reform commissions

5.0. SUMMARY

This section deals with the pre-independence and post independence Reforms in Nigeria. Among the pre-independence Reforms are: Sir Walter Harragin Reform of 1946, Gorsuch. Reforms are from 1963 to 2011. Among them are the Morgan commission reform; the Elwood Team reform; Dotun Phillips Report and Obasanjo reform. Their objectives and recommendations were stated.

6.0. TUTOR-MARKED ASSIGNMENT

1. Pick any three reforms of the Nigerian public service and discuss the objectives and three major recommendations.
2. Compare and contrast the Udoji commission's recommendation and the dotun Phillips study team.
3. Explain the Human resources management Reforms of the Obasanjo regime

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MODULE 2: PUBLIC PERSONNEL MANAGEMENT

UNIT I: THE CONCEPT OF PUBLIC PERSONNEL MANAGEMENT

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1.0 INTRODUCTION

You know that employees cannot achieve organizational goal without resources. However, to the chief executive of an organization, the employee himself/herself is a resource. The management of which is termed Personnel or Human Resources Management. We shall stick to the term Personnel Management.

Personnel Management is concerned with the effective acquisition and development of employee's skills, knowledge and experience to achieve the goals of an organization. The concept of human resources management is fast taking over the use of the term personnel management but irrespective of the name, they both deal with the people resources.

Depending on the size of the organization, the personnel function could be carried out through a department or a division under the Administration Department. In the Federal Civil Service, the personnel function is currently a division under the Administrative Department, usually headed by a Deputy Director.

2.0 OBJECTIVES

After studying this unit, you should be able to

- (a) Define Management and Personnel Management
- (b) Define Public Personnel Management
- (c) Explain the Scope of Public Personnel Management
- (d) Explain the Structure of Public Personnel Management in Nigeria

3.0 MAIN CONTENT

3.1. Meaning of Management and Personnel Management

3.1.1 The Definition of Management

There are many definitions of Management in the literature. The simplest definition of Management is that given by Mary Parker Follett, which defines management as “the art of getting things done through people” (Stoner, James and Freeman 1992).

Management is also seen as some interrelated activities commonly referred to as the functions of Management. From this perspective, Management is defined as a process of planning, organizing, leading and controlling organizational members and using all available resources to reach stated organization goals (Stoner, and Freeman 1992).

Obisi (1996) gives many definitions of Personnel Management. Personnel Management is concerned with the procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards accomplishment of the organizational goals and objectives (Flippo 1979).

The Institute of Personnel Management, United Kingdom defines Personnel Management: “As an integral but distinctive part of Management personnel management is concerned with people at work and their relationships with the enterprise”. It also sees Personnel Management as the responsibility of all those who manage people as well as being a description of the work of those employed as specialists. Every manager with subordinates will at one time or the other performs Management functions (Institute of Personnel Management U.K.).

According to Yalokwu (2002), personnel management is a management function which involves various activities designed to foster the effectiveness of an organisation’s workforce in achieving its goals and objectives. This definition suggests that personnel management involves certain activities targeted at the effectiveness of the workforce with the overall aim of helping and organisation achieve its goals and objectives.

Therefore, for our discussion, we can adopt the definition that Personnel Management is the process of assuring that competent employees are acquired, developed, utilized and rewarded for achieving organisation goals and objectives. (Eniayejumi 2006)

3.1.2 Importance of Personnel Management.

The importance of personnel management lies in the fact that effective performance of personnel management functions brings about:

- (i) Adequate supply of trained employees to man available jobs in the organisation, and match-up with the pace and complexity of change.
- (ii) Satisfaction and retention of employees, through improvement in quality of work life.
- (iii) Elimination of productivity crisis (Eniayejumi 2006).

3.2. Definition of public and civil services.

In any economy, there are usually three major sectors. These are:

1. The public Sector
2. The private sector
3. The Non-Government or Not-for profit organisation (NGOS) or Community based Organisation and faith-based organisation.

Each sector has its own peculiarities in managing its employees that makes it different from the other sectors. This course is concerned with the public sector only. The private sector is that part of an economy in which goods and services are produced by individuals and companies as opposed to the government controls the public sector. (Wikipedia 2011).

The word public means the people of the nation. In a country where natural resources are owned by the people and not individual who find the natural resources in their land; the public owns the natural resources. The public sector can also be considered as the government sector as opposed to the private sector, consisting mainly of the government and government – owned

enterprises whether at the Federal, State or Local levels (Afolabi 1991:41). Afolabi further explains that the public sector as an economic agent, is acting on behalf of everybody to manage all economic resources owned for the benefit of all, hence all resources are harnessed and utilized by the government on behalf of the public.

There is therefore a system made up of government and employees that serve members of the public through the provision of goods and services. These services are usually referred to in Economics as Public good. The term public service has other meaning. It also refers to the services provided directly or indirectly by a government to its citizens. A government can award the construction of a road or drilling of oil to a private company. This service is still being provided by the government. The term is also a generic name for both the civil service and the parastatals or public enterprises combined. These are currently being described as Ministries, Departments and Agencies (MDAS).

The public sector is the portion of the economy that is controlled and managed by the government. It includes the workers employed in national and Local governments. It equally covers undertakings that engage in the production and supply of services which the private sector may not be able to invest in (www.answer.com/topic/publicsector). The public sector in Nigeria is made up of:

- The Judiciary
- The Legislative
- The Executive
- Ministries
- Ministries Department
- Parastatals or Public Enterprises
- The Armed Forces
- The Rara Military Organisation
- The Police

The Office of the Head of Civil Service, defines the Civil Servant as a body of men and women employed to ensure that the policies and programmes of any government at any particular time are carried out. The Civil Servant is simply, someone employed by the Civil Service Commission and paid by the government out of government subvention.

3.2.1. Characteristics of the Civil Service

The Civil Service:

1. Is non-partisan
2. Is made up of experience men and women with technical and professional know – how to enable it implement government policies and programme
3. Is indispensable since it ensures the continuity of government
4. Operates under rules and regulations
5. Has a number of ministries, Department and Agencies (MDAS)

The Civil Service is a major instrument used by Government to implement its policies. It consists of the political class and bureaucrats of varying professions and technical capabilities. The Civil Service is very important in Public Personnel Management since other Agencies of government, such as parastatals, policy, armed forces and para-military organisations are also being guided and controlled through the Civil Service.

The functions of the Civil Service include:

- Managing the public service.
- Contribution to the formulation of government policies by providing information to ministries/commissioners to enable them to make the right decisions.
- Giving objective advice to ministers/commissioners on the implications of policy options.
- Supporting ministries in explaining government policies through preparation of draft memo and advice.
- Civil Servants represent their Department/agencies in external discussion with members of the public and international organisation.
- Providing continuity through professionalism.
- Protect public interest.

Self Assessment Questions

1. List five characteristics of the civil service.
2. Enumerate five functions of the civil service.

3.3. Concept of Public Personnel Management

Public personnel management refers to the management of the human resources in public service or public sector from recruitment to retirement. Wendel (1974) defines Personnel Management as the recruitment, selection, development, utilisation of human resources organisation.

From these definitions, it is clear that Personnel Management is concerned with managing the people resources, in an organisation setting. The people resources of course the most important resources as all utilization of other resources, depend on their effectiveness.

Public Personnel Management is carried out in the three arms of government, which are: the Executive, the Legislative and the Judiciary. Chapters V and VII of the 1999 Constitution comprehensively state the functions of the Executive, the Legislative and the Judiciary.

The President, the Head of State and Commander – in Chief of Armed Forces is the Chief Executive of the Federal level while the Governor is the Executive at the State level. The Chairman of the Local Government Council is the Chief Executive of the Council. This is what is referred to as three – tier government.

The Federal Level

At the Federal level, there is the Federal Executive Council headed by the President. There is also a vice-President and ministers at the Federal level. Equivalent posts in the states are the Governor, Deputy Governor and the Commissioners at State level. In addition to the Ministers and Commissioners there are a number of Special Advisers to both the President at the Federal and the Governors at the State level. The functions of the President and the Governors are carried out through the Federal Civil Service and State Civil Services respectively. At the Local Government level, the Chairman has at least three supervisor Councilors from among the elected Councilors to assist in running the Local Government Administration. There is also a Local Government Service at the State at every Local Government area. The is responsible for making laws. It consists of the Senate and House of Representatives. The Senate consists of three Senators from each State and only one for the Federal Capital Territory. There is a house of Assembly in the State.

The Judiciary

At the Federal level there is the Supreme Court which is the highest court, the Court of Appeal, the Constitution Court, the Federal Capital Territory. In the State there is the High court, the Customary court of Appeal and Sharia Court of Appeal. There are also Election Tribunal and Election Appeal Tribunals.

Government Ministries

At present there are Ministries at the Federal level. There are also Extra – Ministries Department headed by Chairman. Among them are the Federal Civil Services Commission, the Economics and Federal Crimes Commission, the Independent National Electoral Commission. There are many Parastatals at both the Federal and State levels. There are organisations that are wholly or partially owned by Government for the purpose of Producing either goods or services.

4.0. CONCLUSION

The civil service is different from the private sector in terms of the conditions under which the personnel of the both sectors work. The civil service personnel management practices sometimes affect both the public and private sectors for example, the Federal Government policy of contributory Pension Scheme in Nigeria, applies to both sector. It is therefore important for the civil service to have an effective public personnel management.

5.0. SUMMARY

The unit is on the concept of public personnel management as distinct from private sector personnel management. A major difference is the plethora of organizations involved in personnel management in the public service. In the private sector personnel management are conducted by the personnel department of an organization, the top management team and the Board.

6.0. TUTOR MARKED ASSIGNMENT

1. Explain why Public Personnel Management is important in the public service.
2. Identify the differences in personnel management in the public service as compared to the private sector.

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MODULE 2

UNIT 2 FUNCTIONS OF PERSONNEL MANAGEMENT

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 - 3.7.1 Employee Appraisal
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 - 3.8 Personnel management Research
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References/ Further Readings

1.0. INTRODUCTION

In the last unit, public personnel management is defined as the management of human resources in the public service, this covers a wide range of interrelated functions, so numerous that a division has to be created to manage the functions. Personnel management covers the entire life of an employee from assumption of duty to retirement and even death. An organisation still plays a welfare role upon the death of an employee whether in active service or in retirement.

This unit explains the following functions of personnel management, particularly as they relate to the public service:

1. Human Resources Policy and Planning
2. Retirement, Selection, Placement and Discipline
3. Training, Development and Education
4. Welfare Services
5. Labour Management Relations
6. Appraisal, Compensation and Retirement
7. Personnel Management Research

2.0. OBJECTIVES

After studying this unit, you should be able to:

- (a) List the personnel management functions.
- (b) Define the major personnel management functions.
- (c) Explain the differences between recruitment and selection.
- (d) Examine the role of personnel management research in the effective management of human resources.

3.0. MAIN CONTENT

3.1. PERSONNEL POLICY AND PLANNING

3.1.1. *Personel policies*

Policies are guidelines on how an organization intends to hire, place, utilize and retire its employees. They are drawn up to ensure continuity in personnel practices of an organization. Most organizations do not have a document that is tagged personnel policy but have the policies scattered in approved memorandum. In the public sector many of the personnel policies are in the public service rules, the financial regulations and various circulars amongst others. These policies dictate how the personnel managers run the human aspects of a public organization.

An example of a personnel policy is that junior workers should be recruited from the state/communities that are geographically close to the institution. A clerk living in Epe will find it difficult to work at the Lagos State University, Ojo. The University is better off employing somebody around the Lagos Metropolis. An organizational recruitment policy may be to provide every employee an opportunity for continuous development of his/her skill, knowledge and aptitudes.

The job of the personnel department is to provide inputs into personnel related policy proposal and/or propose new policies towards better personnel management in an organization. Personnel policies from the Government or Board of Directors are also interpreted by the Personnel Department. The Personnel Department advises the line departments on regulations, rules and policies guiding employment in an organization.

3.1.2. Manpower Planning

This term is gradually being replaced by a gender neutral term which is human resource planning. Whether manpower planning or Human Resources planning, the objective is to ensure that an organization gets the right number and quality of men and women to work in the organization for the achievement of its objectives.

Manpower Planning/Human Resource Planning can be defined as the supply and demand of human resource in accordance with the requirements of an organization. It ensures that an organization has the right number of people, at the right time and doing the right things. Manpower planning deals with taking stock of the current manpower of an organization, forecasting and analysing data on recruitment, transfer, disengagement, leave and promotion.

Why Manpower Planning?

- 1.To reduce personnel costs by determining the right number and quality of people for an organisation.
- 2.To ensure stability of employment.
- 3.To cope with future changes in the labour market.
- 4.To ensure survival of an organization.
- 5.To manage succession planning.
- 6.To ensure the employment of the people that are actually needed in an organization.

Components of Manpower Planning (MP)

Components of MP are:

- Job Analysis
- Job Description
- Job Specification
- Job Evaluation

- Job Grading
- Job Standardization
- Job Classification

Job Analysis - this is a procedure for determining the task involved in a job, the duties and the responsibilities involved in its performance, the conditions under which the job is carried out, the employment qualities, conditions of employment as well as such as pay, hours of work, opportunities and privileges.

Job Description – This is a written record of the duties, responsibilities and the requirements of a particular job.

Job Specification – This is about the human skills, attitudes, qualities, competence needed to perform or get a job done.

Job Evaluation – This is aimed at establishing a fair wage/salary for a job. It is a process of comparing a job with other jobs in terms of the demands a job makes on the worker.

Job Standardization – This is an analysis of the facilities, technical and mechanical methods required for the successful performance of a job.

Job Grading – This has nothing to do with awarding monetary values. It involves categorising jobs into skilled, semi-skilled, highly skilled or typist, juror typist, senior typist among others.

Job Classification – This is the examination of jobs so that individual jobs can be compared and responsibilities assigned to them. It enables titles to be given to jobs.

3.1.3 Methods of Forecasting Manpower or HR Needs

Three methods of forecasting manpower/ hr are discussed here. They are broadly divided into subjective and objective methods.

Subjective Methods – These are methods of forecasting that deal with judgement of an expert based upon what he or she sees.

1. **Managerial judgement Forecasting Method:** This refers to the contributions of managers, supervisors and other operational staff on workload and the ability of employees.
2. **Expert Judgement:** This is an estimate technique. It involves an expert's experience and intuition on manpower requirements.
3. **Delphi Method techniques:** Delphi techniques consists of series of intensive interrogations of individuals connected with the job, to get desired data on manpower requirements.

Objectives Techniques

These techniques use statistical methods such as:

- Ratio-trend analysis
- Econometrics
- Work Study Method

3.2. Recruitment, Selection, Placement and Discipline

3.2.1. Recruitment

Recruitment is the activity that is carried out with the aim of attracting sufficient potential employees to apply for vacancies in an organisation. This is usually done through the use of advertisement in newspapers, electronic media, bill board, magazines among other. However, there is another comprehensive meaning of recruitment, as used in the Nigeria Public Service. The Public Service Rules, section 2 (Federal Republic of Nigeria 2000), defines, "recruitment" as the filling of vacancies by the appointment of persons not already in the Civil Service of the Federal Republic of Nigeria. It therefore excludes the transfer of officer from other Civil Services in the Federation to the Federal Civil service.

3.2.2 Selection

Selection involves the identification of the most suitable applicant to fill advertised vacant positions. The common methods of selection are:

- Short listing
- Employment References
- Interviews (oral to face interviews)
- Written test to assess intellectual ability, aptitudes and personality

There are many types of interviews. The common ones are: Structured interview, unstructured interview, group or panel interview and stress interview. Except for the stress interview, the other types are self explanatory. The stress interview is specifically aimed at testing the interviewee's ability to remain cool and collected in a stressful situation. The interviewee's is deliberately provoked by the interviewer and selection is usually the shared responsibility of Ministries, Agencies and Departments and that Civil Service Commission.

3.2.3 Placement

Placement involves posting of selected candidates to various departments/divisions or units. Ideally such posting should be based on educational qualifications, skills and experience but in reality a number of factors influence the posting of public officers. Some of these include godfatherism, ethnicity and lobbying .

3.2.4. Discipline

Discipline is the orderly conduct of affairs by members of an organisation (Ordway and Metacalf 1933). According to Fayol (1949), states that discipline is essential for the efficient operation of

the organisation. It is the outward mark of respect for the agreement between the organisation and its members. The following are common organizational rules to be obeyed by employees.

Common Organisation Rules

1. Time rules

- Starting and closing times
- Break times
- Maximum Absenteeism period

2. Prohibited behaviour rules

- No leaving the office without permission
- No drinking on duty
- No hard drug on duty
- Limited non work related activities
- Theft rules
- Falsification rules

3. Insubordination rules

- Penalties for refusal to obey supervisors
- Rules against slowdowns, work to rule and strikes

4. Safety rules

- No smoking rules
- Safety regulations
- Sanitation requirements
- Rules prohibiting dangerous weapons

5. Productivity rules

- Prevention of moonlighting
- Prohibiting of selling or soliciting in the office

Disciplinary Methods

Disciplinary methods in the public service are:

1. Oral warning
2. Written warning
3. Loss of entitlements
4. Demotion
5. Suspension
6. Dismissal

7. Early retirement

3.3. Training, Development and Education

3.3.1. Training

The concept of training and development are closely related, but can be differentiated. Training involves activities which are designed to improve performance of employees on the job they are hired to do. It can be extended to necessary activities to enable an employee move to an immediate higher level position in the organisation. Training is usually expected to improve the skills, attitudes and knowledge of employees. Training programmes range from induction courses to short term courses usually of less than 6 months duration to attendance of conferences and seminars.

Adeoye (2001) discussed the following types of training:

1. **Apprentice Training:** This type of training is carried out at a vocational or technical college, where the trainee learns the rudiments of the trade.
2. **Vestibule Training:** The training under this method takes place in a simulated real workplace environment for example; pilots are trained in a simulated environment, whereby a pilot experiences turbulence without actually being in one. It could also involve learning how to use a computer or machine until the learner has mastered the techniques.
3. **On the job training:** This is the most widely used method of training. The employee in a real work situation is shown the job and the intricacies by an experienced supervisor or colleague. It is a cost effective way of transferring learning (Armstrong 1977). Personnel Management is concerned with obtaining, organising and motivating the human resources required by the enterprise.
4. **Off the job training:** Any training that is not done inside an office is “off the job training”. Even when the training takes place at the classroom next to the office it is conceptualized as “off the job”.

3.3.2. Development

Staff development involves identifying the professional needs of an individual employee and devising programmes to meet those needs. Staff development involves work design, job enlargement and coaching, among others. Development like training is usually tailored to meet the needs of the organisation. Management Development programmes are generally aimed at educating supervisors and managers.

3.3.3. Education

Education is usually distinguished from training in that the learnt knowledge, skills, attitudes and behaviours may not be of immediate application to the job. It is also individually oriented as employees come into an organisation with different educational qualifications in varying fields.

3.4. Welfare Services

The Personnel Department is also responsible for the welfare of staff. This function includes provision of health care services, ensuring safety at work, provision of creche, restaurant, and arranging funeral ceremonies. Safety involves protecting employees from injuries caused by work-related accidents.

3.5.Promotion, transfer, demotion and separations.

The Personnel Department process the promotion, transfer, demotions and separation from the organisation. The Department keeps the files and records of all employees and decisions concerning promotion, transfer and separation decisions are communicated to employees through Personnel Department.

3.6. Industrial Relations/Labour Management Relations

This function involves management-union relations with the aim of ensuring Industrial peace and harmony. Industrial relations refer to the interrelationship both formal and informal between managers and those they manage. The next unit deals extensively with the concept of Industrial Relations/ labour Management relations.

3.7. Employee Appraisal, Compensation And Retirement

3.7.1. Employee Appraisal

The Personnel division is responsible for appraising its own staff but more importantly it is the collation, storage and processing centre of appraisal forms of all employees. Being the custodian of personnel files the division analysis the completed the periodic evaluation forms on all employees and make such data available to Management for reward, promotion, posting and discipline as necessary.

3.7.2. Compensation

The compensation function of Personnel Management is aimed at ensuring equitable pay to employees so that they are motivated to do their jobs. Compensation can be financial or non-financial. Non-financial compensation include recognition, personal growth and higher responsibilities. Financial compensation include wages, salaries and other monetary fringe benefits. Wages are payments based on the number of hours/days of work. Salaries are money paid on monthly or annual basis to employees.

3.7.3. Retirement Management

Although retirement is a form of separation, it is usually a recognised sub function of the Personnel department with a desk officer. The function deals with the processing of retirement documents and all post retirement issues.

3.8. Personnel Management Research

Personnel Management research is sometimes the forgotten area of personnel Management. It refers to the systematic gathering, recording, analyzing and interpreting data for guiding human resources decision and practices.

4.0. CONCLUSION

Personnel Management functions are quite important to an organisation, to the extent that Personnel specialists are now recognised line Managers. There are organisations whose main job is the management of employees. These organisations act as consultants to other organisations. The Personnel division provides advise and data on employment matters to top Management to enhance high quality decisions. Imperfections of the Personnel division can therefore affect the entire organisation adversely.

5.0 SUMMARY

This unit is on the functions of personnel management. The functions discussed are personnel policy and Human resources planning; Recruitment, selection, placement and discipline; training, development and education and welfare services; others are promotion, transfer, demotions and separation from the organization; labour management relations; employee appraisal, compensation and retirement aa well as personnel management research.

6.0 TUTOR MARKED ASSINGNMENT

1. What is the role of personnel management research in managing employees effectively?
2. Can an organization do without the personnel department? Discuss.

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MODULE 2:

UNIT 3 INDUSTRIAL RELATIONS IN THE PUBLIC SERVICE

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1.0. INTRODUCTION

Harmonised relationships constitute a significant factor in effective organisational performance. The major players in Public Personnel Management are the employees, the management team and the Government. Any disharmony between any two or among the three automatically leaves the organisation worse off in terms of productivity. This unit focuses on three major aspects of Industrial Relations. These are the concept of Industrial Relations; the origin of Trade Unions and Principles of Collective Bargaining.

2.0. OBJECTIVES

After studying this unit you should be able to:

- (a) Define Industrial Relations
- (b) Explain the Concept of Industrial Relations
- (c) Explain the origin of Trade Unions
- (d) Enumerate the Principles of Collective Bargaining

3.0. MAIN CONTENT

3.1. Concept of Industrial Relations

Yesufu (1982) defines Industrial Relations as the whole web of human interaction at work which is predicated upon, and arises out of the employment contract. Eniayejuni (2005) defines Industrial Relations by the labour, employers and the State with the aim of attaining and sustaining increased productivity and industrial harmony. The term “Industry” refers to any productive activities in which an individual or a group of individuals is (are) engaged. The term “Relations” refers to the relationship that exist within the industry between the employer and employees. (Encyclopedia 2011([http:// industrial relations.noukerihub.com/introduction.html](http://industrialrelations.noukerihub.com/introduction.html)).

Industrial Relations involves the following:

- The contractual obligation between employee and the employer
- Joint decision – making
- Joint problem solving
- Group grievances
- Industrial grievancees
- Employee welfare

For successful Industrial Relations, there must be:

- (1) Negotiating machineries such as workers, unions and their representatives, as well as of Management or Government.
- (2) A Joint Consultative Committee as a forum where Management and Staf can discuss issues of staff welfare, productivity improvement and others (Von Olter,2002).

The study of Labour – Management Relations refers to the rules and policies which govern organised employment, how these are established and implemented, and how they affect the needs and interests of employees and employers.

3.2. History of Trade Unions

3.2.1. The Origin and Growth of Trade Unions

KirkPatrick (1985) defines a Trade Union as a group of workers either of the same or of different trades who join together to bargain with employers using the principle of collective bargaining for fair wages and better worker conditions.

Trade Unions in Nigeria started as an Association of workers. The first of this was the Association of Guilds of Self employed Handicraft workers. The Guild is a society of people with similar jobs, interests or aims. It started as Association of Merchants and skilled workers e.g. Guild of Carpenters and Medical Guild. The main function of the Association is to organise material assistance in cases of difficulty and regulate practices. These Guilds transformed into modern Trade Unions (Fapohunda 2002). The history of Trade Unions started in 1893, ie existed in Lagos as a Mutual Aid Provident and Improvement Association. In 1911, the Lagos Merchantile Clerks Association was formed to Safeguard the interest of clerks working for the merchantile houses in Lagos (Fapohunda 2002). The formation of Trade Unions in Nigeria was instigated by the formation of Trade unions in Sierraleone which was the headquarters of the British Administration in west African. This results in the formation of the Nigeria civil service union which was innaugurated on August 19, 1912 (Ananaba 1970). The Union later changed its name to the Nigeria Civil Service Union after the third and final amalgamation of the Protectorates of Northern and Southern Nigeria which gave bith to modern Nigeria.

In 1931, the Nigerian Union of Teachers was formed. The establishment of the NUT at the time was significant because the formation required a lot of efforts to organise a nation-wide Union when communications were very difficult. The NUT was formed as a result of dissatisfactions with teachers' conditions of services. Their objectives include:

- I. Improvement service conditions
- II. Enhancing security of teachers tenure
- III. Raising educational and professional standards of teacher

Also in 1931, the Railway Workers Union was formed by the Technical Section of Railway Workers which broke away form the Nigeria Civil Service Union. In 1938, the Trade Union Ordinance was passed and this gave recognition to the existence of Trade Unions in Nigeria. The Ordinance stipulated that five (5) or more members could form a Trade Unions and that any two (2) or more registered Trade Unions could, with the consent of not less than 2/3 of the members of each Union become amalgamated as one Trade Union. The law prohibited persons in the Nigeria Police Force or Native Authority Police Force or in the Prisons Department in the

Country from participating in trade union activities. The law laid down the mode of registration and obligations of the Unions in terms of their relationships with employers.

Fapohunda (2002) also states that as a result of the world War II situation, the Government enacted the General Defence Regulations Act which outlawed strikes and lockouts during the War. The implication or interpretation of this by Unions was that there was a suspension of Trade Unionism. Therefore Unionists and Nationalist Leaders collaborated to form the Trade Union Congress of Nigeria (TUCN), which grew in number rapidly due to intensified industrialization and, nationalisation of public utilities, the establishment of a Labour party e.t.c. The enactment of the Trade Union Ordinance and the example of the Railway Workers' Union encouraged workers in other Government departments and industries to form Unions and seek registration in order to secure legal authority to engage in collective bargaining with their employers. By December 1941 a total of 41 Unions with a total membership of 17,521 had registered under the Ordinance. Notable among these were the Post and Telegraphs Workers' Union, the Nigeria Marine African workers' Unions. Up to this period, the Unions were acting on individual basis defending their individual interests except where they coincided with other Sister Unions.(Fapohunda 2002).

3.2.2 The Establishment of a Central Labour Union

Nigeria was colonised by Britain. In the former British Territories Unions were encouraged to grow on the basis of the common interest of a group of employees of a particular employer. It is argued that following British experience, political and ideological factors were generally discouraged as an appropriate basis for Union Organisation. Thus the formation of Unions effected the structural characteristics of employment. The result of this is that a small number of large Unions catering for employees in the Government and Public Services as well as major enterprises such as mining, generally developed side by side with a large number of small enterprise unions.

The aims of the Trade Union Congress of Nigeria(TUCN) are to:

1. Unite Unions into one body
2. Dealing with general Labour problems
3. Establish Worker's Newspaper
4. Build a Secretariat
5. Have a Labour College at Ilorin

From 1948 to 1980, several coalitions and break ways dominated the Trade Union history. In 1980, a second Nigeria Labour Congress emerged. The birth of the second NLC did not receive the blessing of the Government, which felt that it was going to form an opposition to its policy of labour restructuring and control. The Federal Government through the Trade Labour Union (Central Labour Organization) (Special Provision) Decrees No. 44 of 1976, cancelled the registration of existing Labour Organizations and placed embargo on the registration of new NLC. An Administration of Trade Unions was appointed to form a single Central Trade Union. This was the beginning of an incessant intervention of Government in Labour matters.

3.2.3. Problems of Central Trade Union (CTU)

1. The Incessant Government Intervention constituted a major impediment to the success of CTU. It did not allow for issues of common interest to be addressed. Trade Unions exist only at the will of the Government. The Muritala/Obasanjo regime banned Labour Unions from affiliating with other International Labour Organizations (ILO).
 - i. The Buhari/Idiagbon regime was hostile to the use of strike as a weapon of getting demands by Trade Unions.
 - ii. Government treated NLC as one of its parastatals by giving it subvention.
 - iii. During the Babangida Regime, Michael Ogunkoya was appointed as the Sole Administrator, after the Benin Delegates Conference of 1988.
2. Individual ambitions of members and leaders.
3. Multiplicity of Unions –hence making it easy to play one group against the other.
4. Private Sector Unions were encouraged by their employees, not to have anything to do with the Central Union.
5. Too many splits and mergers.

Self-assessment exercise.

1. Discuss five problems of Trade Unionism in Nigeria
2. Are Trade unions necessary in an organization? Give five reasons;

3.3. The Concept of Collective Bargaining

Eniayejuni (2005) explained the origin of the Term Collective Bargaining. He states that the term “Collective Bargaining” was first used by a British couple Sidney and Beatrice Webb in 1891. The couples equate Collective Bargaining with individual Market Bargaining, where you bargain for the price of what you want to buy. This view was challenged by Flanders in 1975 when he contends that Unions do not sell their Members Labour but rather enter into a joint rule making process. In 1981, ILO explains that Collective Bargaining extends to all negotiations which take place between an employer’s organization on the one hand and one or more workers organizations on the other hand for the purposes of :

- (a) Determining working conditions and terms of employment
- (b) Regulating relations between employers and workers
- (c) Regulating relations between employee organizations and their employers’ organizations (Faphunda 2002).

Fashoyin (1992) defines Collective Bargaining as the machinery for negotiating and discussing, whether formal or informal, between employer(s) and workers representatives, aimed at reaching mutual agreement or understanding of the general employment relationship between both parties.

All these definitions point to the fact that Collective Bargaining is about identification and protection of the interests of both the workers and the employers. It deals with reconciling conflicting interest, and jointly agreeing on rules, practices, and procedures that govern the way such interests and issues should be redressed.

Anderson (1981) in Eniayejuni (2005) lists items that can be bargained for collectively in an employee-employer relationship. These are:

- Terms and conditions of employment
- Engagement or non-engagement or even termination and suspension of employment
- Matters of discipline
- Membership or non-membership of a Trade Union on the part of the worker
- Machinery for negotiation or procedures of negotiation

The aim of Collective Bargaining is to reach Agreement; or common understanding on issues. It is therefore aimed at bringing about Industrial Harmony. Collective Agreement is defined by ILO (1989) as agreements in writing regarding working conditions and terms of employment concluded between an employee, a group of employees and one or more employer' organizations. In the absence of such organizations, the representative of the workers duly elected and authorized by them in accordance with national rules and regulations can act on their behalf. These agreements have advantages for workers and employers:

For Workers

1. To maintain and improve working conditions
2. To determine terms and conditions of employment
3. To give employees opportunity to participate in the management of their organizations
4. To institutionalize the grievances and dispute settlement procedures

For Employers

1. To save the cost of negotiating with each worker
2. To simplify salary administration system
3. To foster industrial harmony
4. To ensure the observation of jointly identified rules
5. To establish a grievance procedure which prevents the management from unfair treatment of employees

3.4 Legal Framework for Collective Bargaining in Nigeria

In Nigeria, Collective Bargaining is regulated by the following statutes:

1. The Trade Unions Act of 1973 – Sections 22 and 23 of the Act provide for conditions under which a compulsory recognition of a Union should be allowed by an employer e.g. majority of employees as members.

2. Trade Union Amendment Act of (1978) repealed sections 22 and 23 of Trade Unions Act of 1973. Section 22 of the new act provides that, where there is a Trade Union, it shall without further assurance on registration be entitled to recognition by the employer. The condition for registration of a union is that at least more than one employee belongs to the Union.
3. Trade Disputes Act of 1978: This Act makes it mandatory for any Collective Agreement to be deposited with the Minister of Labour. It also provides that the Ministers or any party to a Collective Agreement may apply to the National Industrial Court for the purpose of interpreting, any term or provisions of the Collective Agreement.
4. The Wages, Boards and Industries Council Acts of 1973: This Act provides for the use of Collective Bargaining in determining wages in Nigeria. Section (18) of Act stipulates that employers and workers in an industry may establish a joint Industries Council for the purpose of negotiating and reaching agreements. Relating to negotiation matters.
5. Trade Unions Amendment Act Cap 437 LFN (Laws of the Federal Republic of Nigeria – 1996 No 426).
6. Trade Unions (Amendment) Act 2005 LFN

4.0. CONCLUSION

Conflict and disputes are inevitable in any organisation. Peaceful resolution of conflicts is a much better alternative than resort to strikes and lock out; Adherence to laid down dispute/conflict settlement procedure goes a long way in ensuring harmonious workplace relationships. Collective Bargaining is a tool for settlement of disputes and formal discussion of issues that are given to workers and management. As much as possible top management team should practice good governance that reduces disputes and conflicts.

5.0. SUMMARY

In this unit, Industrial relations refer to the whole web of human interactions at work, which is predicated upon, and arises out of the employment contract. The history of Trade Unionism in Nigeria was discussed. The idea of trade unionism was instigated by the formation of Trade unions in Sierraleone. The military regime reduced the powers of the Trade Unions during their tenure by treating it like a government parastatal. The advantages of Trade unionism to the workers and employers were discussed.

6.0. TUTOR MARKED ASSIGNMENT

1. Explain briefly the history of Trade Unionism in Nigeria?
2. Discuss how workers and employers can get the best out of Trade Unionism.
3. Explain the term 'collective Bargaining'

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MODULE 2

UNIT 4: PERFORMANCE APPRAISAL OF PUBLIC SERVANTS

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1.0. INTRODUCTION

Performance appraisal systems began as simple methods of income justification – a tool to decide whether or not the salary or wages of an individual employee was justified. But this traditional emphasis on reward outcomes was progressively rejected. In the USA, around the 50s, the potential usefulness of appraisal as a tool for motivation and development was gradually recognised. Whatever the history may be, appraisal is both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, informally and arbitrarily with little chance of ensuring that the judgements made will be lawful, fair, defensible and accurate.

Periodically, performance reviews have now become very critical, they help supervisors feel more honest in their relationships with their subordinates and feel better about themselves in their supervisory roles. Subordinates are assured clear understanding of what's expected from them, their own personal strengths and areas for development and a solid sense of their relationship with their supervisor.

2.0. OBJECTIVES

After studying – this unit, you should be able to:

- (a) Define performance Appraisal
- (b) Apply the methods of Performance Appraisal
- (c) List the Techniques of Performance Appraisal
- (d) Critically examine the problems of Performance Appraisal

3.0 MAIN CONTENT

3.1 Performance Appraisal Concept

Performance Appraisal (PA) has been called by many names which include, performance evaluation, performance rating and merit rating. PA has been described as any personnel decision that affects the status of employees regarding their retention, termination, promotion, transfer, salary increase or decrease or training and developmental purposes. It can be described as an evaluation carried out to determine the quality or value of a person's skills or ability in carrying out a prescribed job, task or activity in an organisation. It can also be defined as a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or bi-annual), in which the work performance of the subordinate is examined and discussed, with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development.

It is a process of summarising, assessing and developing the work performance of an employee, it refers to :

- All periodic written assessment of job performance measured against responsibilities, goals and/or tasks, specific duties assigned agreed to as well as identification of strengths and weaknesses demonstrated by an employee.
- A regular and a continuous process by which the quality, quantity and levels of performance and the various factors that influence performance are assessed and evaluated.

PA is an integral part of an organisation's performance management system, which is the process of managing the achievement of the organisation's mission. Buzzle.Com (2011), explains that a fair and just evaluation criteria ensure that performance appraisal achieves the goal of identifying industrious employees and encourages meritocracy through a system of compensation that is commensurate with performance.

PA can be based on objective or subjective criteria. Objective evaluation is based on factors that can be qualified or measured. This type of evaluation reduces the issue of victimization by the superior officers. Examples in the public service could be: number of complaints against the officer, number of days the employee is absent from work; number of publications etc. Subjective evaluation, on the other hand is based on criteria that cannot be qualified such as reliability, punctuality, quality of work, relationship with the public, among others.

In order to minimise inconsistencies in whatever criteria are chosen by an organisation, the raters as well as employees need to be trained in performance appraisal system adopted by an organisation.

3.2 Objectives of Performance Appraisal

The objectives of Performance Appraisal are among others, to provide:

- A dynamic, interactive process for identifying and achieving organisational objectives by focusing on individual contributions that promote mission accomplishment
- Supervisors and managers with a basis for making decisions regarding paying, training, promoting, reassigning, retaining, reducing in grade, or removing employees;
- Supervisors with a medium, for conveying meaningful feedback to employees about their performance and how to improve it; employee appraisal or employee evaluation.
- An appraisal of the growth potential of an employee, with a view to providing the organisation with information that not only lead to positive actions but also ensures that individuals are provided with necessary feedback for performance improvements, personal growth and job satisfaction.
- Employees with an opportunity to participate in defining critical results that facilitate mission accomplishment as well as understand their

strengths and weaknesses with respect to the job performed over a period of time;

- Reconsideration procedures for employees who are dissatisfied with summary ratings;
- A mechanism for increase communication between an employee and his supervisor while enabling the employee to internalise the cultural norms and values of the organisation which helps in development identity and commitment;
- Improvement in the management of staff resources by helping employees realise and fully utilise their potentials while trying to achieve organisational goals;
- A veritable instrument for establishing and upholding the principles of transparency and accountability; and
- Managers with a better understanding of employees anxieties hopes and aspiration with a view to assisting with a view to assisting them in planning their career and meeting their personal goals.

Self Assessment Exercise

1. Define performance Appraisal.
2. Discuss five objectives of performance Appraisal.

3.3 Methods Of Performance Appraisal

The most commonly used method of performance appraisal is the superior ratings, which could be open or closed. The closed appraisal method is otherwise known as the confidential type. In the confidential type, assessment of performance is not communicated to the employees. Whereas in the open method, the employee reads and agrees to whatever has been written on him. The federal public service adopts the open system. The ratee can also challenge the ratings by the superior officer.

Other methods of appraisal are:

- **Self –Rated Performance Appraisal:** In this method, employees rate themselves on the organisational performance appraisal criteria. The superior officer then uses these ratings as basis for the performance evaluation review meetings. Disagreements between the boss ratings and the subordinate can be resolved, otherwise the subordinate puts his views in writing.
- **Peer Rated Performance Appraisal:** Employee's colleagues could be formally directed to rate an employee's performance. In Nigeria, this is done mostly in an informal manner.

- **Tests:** An objective way of assessing employee performance is by tests either organised in house or conducted by performance appraisal consultants.
- **Critical Incident:** These are reports by supervisors on action of employees that are effective or ineffective. Critical incidents focus on behaviours not on results. An employee that prevented an organisations money from being stolen will be considered a very good employee eventhough he/she may not be among the first ten high performers.
- **Subordinate Ratings:** In some institutions especially academic institutions students are required to rate the performance of their lecturers. Formally or informally subordinates express their views about their bosse's performance.

Behaviour – Oriented Methods

The annual performance evaluation can take any or combination of the following:

- **Essay** – In this method the rater is expected to write a description of the strenghts and weaknesses of the ratee performance outcomes to support a particular overall rating such as A, B, C, D, E should be written. This is a flexible method that allows the rater to write extensively on the subordinate. A major disavantage of the method is that it is highly prone to errors. The essay may be subjective and may not be substantiated by both the rater's and ratee's colleagues.
- **Ranking** – In this methods, the rater simply ranks the performance of employees from highest to lowest or from best to worst. This is usually based on overall performance.
- **Paired Comparisons:** Here the rater simply chooses the “better” of a pair of subordinates. The overall score is determined by the number of times an employee is the superior one in a ‘pair’.

Yalokwu (2006) explains that a method which compares employees with one another is useful for generating initial rankings for purposes of salary administration.

- **Forced Distribution** – This type of method limits the number of excellent students with A rating to 20%; E or poor to V. Poor (20%) and 60% falls within average (B and C). Forced distribution eliminates clustering almost all employees at the top percent. The advantage is that it acts a control of leniency or strictness error when there are many raters. The disadvantage is that it can restrict those who could nomally be considered excellent or poor students.

- **Critical incidents:** These are reports on employees that are based on particularly effective or ineffective accomplishment or behaviour on the job.
- **Graphic Rating Scales:** These are structured and standardised easy to administer scales with listed performance criteria such as punctuality, quality of work, output of work etc. The rater is to decide on employee's performance on a 5-point or 6-point scale ranging from excellent to very poor; or Outstanding to Very unsatisfactory.
- **Behaviourally Anchored Rating Scales (BARS)**

The rater constructs a behavioural scale based on two steps which involve:

- (a) Identifying the key job dimensions or areas of responsibility for each job
- (b) Devising a scale for each dimension with a number of points from "excellent" or "very good" to "unacceptable" or "very poor".

Values are attached to these as anchors. Employees are then rated against these values (Yalokwu 2006).

3.4. Problems of performance appraisal

3.4.1. General Problems of Performance Appraisal

Appraising a subordinate's performance without considering other factors apart from the work is very difficult for many managers. This is why it is necessary for you to be aware of factors that may cloud your judgement as a manager. Yalokwu (2006), records the various errors that may occur in the process of rated performance. Some of these factors that will be discussed here are central tendency; leniency; halo effect, strictness and recency errors.

- **Central Tendency:** The raters do not see people as extremely good or extremely bad. He/she sees them as average. For example on a rating scale of 1 to 6. With 6 being maximum the, rater gives ratings of 3 to 4 to more than 60% of the subordinate.
- **Leniency:** Unlike in the central tendency where average ratings are given by the superior officer, the leniency error comes through giving very high marks to more than 60% of the subordinates. This means raters between 5 to 6, on a 1 to 6 scale

- **Halo Effect:** Sometimes subordinates performs excellently or poorly on an aspect of the job. When the raters use this as basis for ratings of the remaining aspects of the job, a leniency error has been committed.
- **Strictness Error:** Some managers are very strict by priding themselves in saying my 'C' grade is equal to another rater's 'A' grade. The rater therefore consistently uses the lower ends points on the rating scale.
- **Recency Errors:** This error occurs when the rater assigns ratings on the basis of an employee's most recent performance. This error might occur when appraisal forms are conducted only at the end of the year. Such a long time clouds long term previous performance. There are other errors in the literature which you might wish to explore.

Other bias that raters experience are sexual, racial, appearance, ethnicity and religious. These errors can be corrected by objective performance criteria such as setting realistic targets and electronic records of performance as done on the race tracks.

3.4.2. Problems with the Performance Appraisal Form in the Nigerian Civil Service

The current Annual Performance Evaluation (APER) form is fraught with many errors. Some of these are discussed as follows:

- (i) Although the current forms provide for target setting yet most of the items/factors for rating have no bearing with the achievement of targets.
- (ii) Although the bulk of the factors for rating are necessary input for performance yet they don't amount to output/result/achievement/performance. Therefore performance ratings based on these factors will be highly subjective.
- (iii) Inability to tie performance or non-performance to reward system apart from being tied to promotion is a demotivating factor in the service.
- (iv) The current APER does not make formal provision for joint review of performance between the supervisor and the subordinate for effective feedback.
- (v) Inability of the operators to ensure that only direct and immediate supervisors should assess subordinates.

- (vi) Most Civil Servant lack the capacity to set targets. This is further worsened by the fact that most Civil Service jobs are service-centred and not easily amendable to measurement.
- (vii) The frequency of appraisal as it is done once a year runs counter to the ideal which should be all periodic.
- (viii) The last point is the failure of management of organisations to use data collected through APER form for decision-making other than for promotion.

4.0 CONCLUSION

You should by now have deduced that PA is a necessary “evil “. Eventhough it is difficult to have a totally objective performance appraisal, organisations should endeavour to reduce the subjective criteria to about 5 percent of the overall evaluatiuon criteria. The subjectivity of the APER based on the completed form in the public service, has been so recognised that the marks from the completed forms carry just about 25 percent only in some organisations. Whatever performance appraisal are chosen, they should be made known to the raters and employees during the Induction Course.

5.0 SUMMARY

This unit discussed the performance appraisal of public servants. Performance appraisal is defined as a formal interaction between a subordinate and supervisor that usually takes the form of a periodic interview to discuss the employee performance. PA is in the interest of the employee and the employer. The unit also highlighted the objectives of PA and the methods of PA. The federal public service uses the open performance appraisal system with boss ratings. The various problems of PA such as those of central tendency, leniency and halo affects were discussed. Also highlighted were the PA problems specific to the Nigerian civil service.

6.0 Tutor Marked Assignment

1. Discuss five methods of performance Appraisal.
2. What are the problems of performance Appraisal in the Nigerian civil service?

7.0 REFERENCES / FUTHER READING

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MODULE 2

UNIT 5 CHARACTERISTICS OF PUBLIC PERSONNEL MANAGEMENT

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1.0. INTRODUCTION

From what you have read in the proceeding units, Public Personnel management embraces the practices and principles governing the Management of human resources in the Public sector. Some of the major characteristics to be discussed in this section are: objectives of personnel management, personnel management structure, public service wide rules and regulations, political considerations, hiring and firing process and the impact of public personnel management policies on the economy.

2.0. OBJECTIVES

After studying this unit, you should be able to:

- a. Explain the differences between public and private sectors objectives
- b. Enumerate the reasons for common public service rules and regulations
- c. Identify the impact of public personnel management practices on the economy

3.0. MAIN CONTENT

3.1 Objectives of the Public Service

Fapohunda (2002) wrote extensively on the peculiarities of Public Personnel Management. This unit draws extensively from the book. The objectives of private sector organisations and businesses are to produce goods and services and make profits. They are concerned with long term profit, retention of customers, satisfying their customers and organisational growth. The objectives of the public service, except for parastals are the provision of public goods and services efficiently and effectively, with the aim of national development and growth. The differences in the objectives of the public sector, as against the private sector are based on national interest and the constitutional requirements (such as the Federal Character Policy), and political considerations which are imbedded in Public Sector Management Appointment of Board members, Ministers, Commissioners among others. New appointees usually, have their own preferred candidates for certain posts within an organisation. Thus, issues of transfer, promotion and placement are influenced by political appointees.

3.2 Ownership

The members of a nation are in the real sense the owners of all resources in varying degrees. However, in nations like Nigeria, the Government manages resources including revenue from taxes, which are held in trust on behalf of the public.

The Government holds Political Sovereignty in trust for the nationals (Fapohunda 2002). Public trust is the confidence the public has in its Government. It is believed that Government is acting in the best interest of the citizens. The Government is using public resources on trust. Public Personnel Management is carried out on behalf of the nation just like the private sector top

management acts on behalf of the share holders. Since it is impossible for all citizens to be at the helm of affairs, some people have to manage resources based on rules and regulations (Weber 1949) .

In the public sector, financial and managerial accountability is very slow unlike in the private sector. Public ownership also calls for divergent interests and sometimes conflicting interest. The best person for the job may not be employed, in order to placate a section without any representative, especially in Nigeria.

3.3 Personnel Management Structure

In the public sector many government organisations are involved in Personnel management, on the contrary in the private sector, personnel management structure is very limited to the Head of the Department, the Human Resources Department, the Top Management Committee and the Board, all within the same organisation.

In the Public Service several government organs are involved in Public Personnel Management. These are:

1. The President in –council and Governors and Federal Government
2. Office of the Secretary to the Government
3. Office of the Secretary to the Government of the Federation (OSGF)
4. Office of the Head of the Civil Service of the Federation (OHCSF) and in State
5. The Federal civil Service Commission (FCSC)
6. The National Council on establishment (NCE)
7. Local Government Service Commission

Please note that 2, 3 and 4 listed also exist in each of the States of the Federation with functions similar to those at the Federal level.

3.3.1 The President-in-Council

According to the 1999 Constitution of the Federal Republic of Nigeria, the President is responsible for the appointment of the Head of Civil Service of the Federation, and that of Federal Permanent Secretaries on the recommendations of the Head of Service. At the State level, the Governor-in-Council carries out this responsibility.

The Secretary to the Government of the Federation, among other duties:

- a. Co-ordinates the activities of Ministries, Agencies and Department, especially on the implementation of Government policies and Decision;
- b. Takes charge of tribunals and Commissions of Enquiry;
- c. Co-ordinates National Security and Public Safety Matters;
- d. Handles Protocol Matter;
- e. Co-ordinates Appointment to Statutory bodies and Agencies;

- f. Deals with matters relating to Conditions of Service of Political Office-Holders;
- g. Processes matters on Prerogative of Mercy;
- h. Handles issues of National Honours and Awards;
- i. Handles Petitions Appeals to the President from Non-Public Officers;
- j. Liaises with Secretaries to State Governments;
- k. Handles Accommodation for political Office-Holder; and
- l. Manages the following Offices
 - Cabinet Secretariat
 - Ecological Funds Office
 - Economic Affairs Office
 - General Services Office
 - Police Affairs Office
 - Political Affair Office
 - Special Duties Office
 - Special Service Office

3.3.2 Office of the Head of Civil Service of the Federation (OHCSF)

The Head of the civil Service of the Federation:

- a. Provides Leadership and Direction for the Civil Service;
- b. Fosters Professionalism among Civil Servant;
- c. Advices the President, in Consultation with the Chairman, FCSC, on the Appointment and Deployment of Permanent Secretaries;
- d. Promotes Good Relations between Ministers and other Political Office-holders on the one hand, and Permanent Secretaries and other civil Servant on the other hand;
- e. Co-ordinates career Development of civil Servants;
- f. Handles Establishment Matters of the Civil Service;
- g. Provides Management Services to the Civil Service;
- h. Keeps Personnel Records and Statistics of the Civil Service;
- i. Handles Civil Service Pension Scheme;
- j. Oversees Service Training Institutions;
- k. Co-ordinates Industrial Relations in the Service;
- l. Co-ordinates National Council on Establishment;
- m. Handles Allocation of Office and Residential Accommodation to Civil Servants;
- n. Is responsible for Posting of some Pool Officer cadres;
- o. Liaises with the States heads of Service; and
- p. Manages the following Offices;
 - Establishment and Pension Office
 - Manpower Deployment Office
 - Management Services Office

- Service Welfare office
- Special duties office

3.3.3 Federal Civil Service commission (FCSC)

By virtue of Section 153, part 1 (d), 3rd schedule, of the 1999 Constitution of the Federal Republic of Nigeria, the Federal Civil Service Commission has the power to appoint and promote as well as exercise disciplinary control over Officers of the Federal Civil Service. This power may, however, be delegated to any member of the commission or any Officer of the Federal Civil Service. This is also applicable to the States' civil Service commission. In specific terms, the commission performs the following functions:

- (i) Employment of Officers on GL. 07-10 directly, and GL 12-17 directly after due advertisement;
- (ii) Ratification of Promotion recommended by Ministries and Extra-Ministerial Departments in respect of Officers on GL. 07-17;
- (iii) Discipline of Officers on GL. 14-17 in the Service;
- (iv) Serving as an Appellate Body on Matters of Appointment, Promotion and Discipline;
- (v) Serving as an Observer at meeting of Senior Staff committee; and
- (vi) Issuance and circulation of "Guidelines for Appointment, Promotion and Discipline". As well as "Notes for Guidance, Series" from time to time.

3.3.4 The National Council on Establishments

The Council is charged with the responsibility for Policy Formulation and co-ordination of establishments and service matters. It advises the various Governments in the Federation on staff establishments, grading structures, conditions of services, among other things.

Institutional Framework at the Micro Level

This refers to the arrangements put in place in each Ministry/Extra-Ministerial Department as contained in the Federal civil Service commission Guidelines. In each Ministry, Department and Agency (MDA) exists the under listed committees:

(a) **Junior Staff committee (Local)**

This Committee is responsible for handling personnel issues, particularly appointment, promotion and discipline of officer on Grade Level 01-06. The Committee exists in MDAs which have zonal or state offices. The composition is made up of the Director of Personnel Management (DPM) as Chairman, and

between seven and nine other members of not less than GL 08 at the state or zone/state is less than seven, a maximum of three officers could be sent from the Head Quarters. Quorum at meeting should be five members, including the chairman. A representative of the State Civil Service Commission shall attend the Committee meeting and his/her absence shall render its proceeding null and void.

(b) Junior staff Committee (Headquarters)

This Committee exists at the headquarters of each Ministry/Extra-Ministerial department and handles personnel matters, particularly appointment, promotion and discipline of junior officer on GL. 01-06. It is composed of the DPM as Chairman, between seven and nine senior officers of not below GL. 12 at the headquarters and a representative of the FCSC. Five (5) members including the chairman, shall constitute quorum at meetings

(c) Senior staff committee

The Committee comprises all the Directors in the Ministries, Extra-ministries Department and Agencies. A Federal Civil Service Commissioner as an observer and the Permanent Secretary as Chairman, while the DPM is a Member/Secretary. The Committee handles personnel matters of officers at entry point of GL. 07-10 (except pool cadres). However, it does not handle appointment of senior officers at entry point of GL. 07-10 as this is directly handled by the FCSC. Quorum at meetings shall be a simple majority. The recommendation of the Committee are forwarded to the FCSC for ratification.

(d) Management of Pool Cadres in the Office of Head of the Civil Service

There exists a Senior Committee in this office which handles personnel matters of pool officers controlled by the office. These cadres are Administrative officers, executive Officers, Librarians, Library Officer, Secretarial Cadre; as well as Stores, Supply, Purchasing Officers on GL 07-13.

The Committee is composed of the following members:

- Permanent, Secretary, Public Service Office (PSO) - Chairman
- Permanent, Secretary, FCSC - Member
- Director, Establishments & Pensions - Member
- Director, Federal Ministry of Finance - Member
- Director, Federal Ministry of Education - Member
- Director, Federal Ministry of Works - Member
- Director, Federal Ministry of Housing & Urban Development - Member
- Director, Public Service Office - Member/Secretary

The recommendations of the Committee shall be subject to the approval of the FCSC

(ii) **Specialised Ministries/Extra-Ministerial Departments**

Other poor offices such as Ministries of Information, Culture and Tourism as well as Justice; Office of the Accountant-General of the Federation and Auditor-General of the Federation handle personnel matters of officers on 07-13 through a Senior Staff Committee. The Committee comprises of either the Permanent Secretary, the Accountant-General or the Auditor-General as Chairman as applicable, all directors in the organisations as members and a Civil Service Commissioner as Member with an observer status. The recommendation of the Committee shall be subject to the approval of the FCSC.

Parastatals and Agencies

With respect to personnel matters generally, Parastatals always adopt and adapt development in the core Civil Service. For example, most Parastatals have arrangements within their organisations which are similar to that of the Civil Service. The major difference is that, at the macro level, instead of forwarding recommendations on appointment, promotions and discipline to the Civil Service commission for ratification, Parastatals simply refers same to their Governing Board or in their absence the Minister of the Supervising Ministry. However, when the boards are not in place, such recommendations are made to the Supervising Ministries.

3.3.5 Service Wide Rules and Regulations

The Public Service operates under uniform rules and regulations. In the private sector, each organisation is unique as it has the right to formulate its own Personnel Management Rules and Regulations. In Public Service, the reverse is the case. The Government is largest single employer of labour in the country. The employees include: Federal Government employees, State employees, Local Government employees, Parastatal, Para-Military, Military and Judicial employees. To ensure uniformity and public accountability, personnel management rules and regulations are developed to be commonly applied with some limited organisational variations: among the common one are retirement age (with variations in the Universities and the Judiciary); minimum wages, minimum age; uniform salaries for ministries at the Federal the State and Local Government; leave and disciplinary procedures among others. The entire Public Service is guided by Public Service Rules, Circulars and Circular letters. In general, the terms and conditions of service of Public Servants are determined through the Legislative process or circulars emanating from the Head of Civil Service or the Civil Service Commission. These conditions of service are not easily changed.

Self Assessment Exercise

1. How are the objectives of the Public Sector differ from those of the Private Sector?

2. List the organisations concerned with Public Personnel Management in the Nigerian public service.

3.4. Political Considerations

Political considerations often influence appointments and promotion in the public service. Appointments to some key top management positions are made based on political consideration of representativeness. This often leads to conflicting objectives of ensuring professionalism and national equity. The creation of organs of government like Ministries, Parastatals, Universities or even States is often based on political considerations.

For political consideration, some essential Agencies such as: the Police, Army, and Fire Department are not allowed to go on strike. There was only an exception in 2002, when the Police went on strike. When Public Servants go on strike, officers on level 13 and above cannot go on strike, even when the outcome of strike will affect them positively.

3.5. Hiring and Firing Practices

In the Private Sector, employees can be fired without a long process. Hiring and Firing practices in the Public Service involve a long set of procedures that are slow and cannot be by passed without some negative consequences. The concerned personnel can protest and can take the Ministry/Department/Agency/MDA to court. The case can be protracted leading to loss of productive time and money by the organization. The procedure for firing or discipline includes oral queries, written queries, warnings and suspension, interdiction, termination or dismissal as the case may be. Hiring involves a long process of advertisement in at least 2 newspapers and the normal Personnel Management hiring procedure.

3.6. Public Personnel Management's Impact on the Economy

You could recall that in 2009, President Yar'Adua had to mediate in the dispute between Tanker Drivers and the Lagos State Government that cumulated into a 5-day strike because of the effect on the economy and the Nigerian people (The Punch, April 22, 2009).

The effect of any increase in salaries and wages of Public Servant manifest in increase the prices of goods and services in the country. Traders react to increase in the salaries and wages of Public Servants as if they too must have a share of the National Revenue. Increase in take home pay of Public Servants usually increases demand for goods and services, which economically leads to high price. Salary increases of Public Servants are published in the Newspaper unlike increases in compensation in the Private Sector. The resultant effects are renewed demand for increases in wages in the Private Sector by Trade Unions. Personnel Policies of Government such as minimum wage, pension scheme, and health care scheme among others directly affect or influence Personnel Policies in the Private Sector.

4. CONCLUSION

Personnel Management Practices in the Public Service differ significantly from that of the Private Sector. It is not a question of right or wrong. It is a question of the context within which both sectors operate. The need to be effective, sometimes without being efficient is peculiar to the Public Service. The Federal Character Policy is not an efficient policy but it is politically effective in keeping Nigeria together.

5. SUMMARY

This unit discusses the distinguishing characteristics of Public Personnel Management. The Public Service objectives are not profit oriented except for the parastatals. Public Service Wide Rules and Regulations apply to all Ministries and Extra-Ministries Department. Some variations occur in the areas of salaries and remunerations in the Parastatals. Political considerations often underly many decisions in the appointment and promotion of public sector employees. The public sector formulates policies which affect the functioning of the private sector. Changes in public expenditure have drastic effect on the economy.

6.0 TUTOR MARKED ASSIGNMENT

1. Describe the institutional arrangement for appointment, promotion and discipline of junior officers in the Federal Civil Service.
2. Explain the Personnel Management functions carried out by the Office of the Head of the Civil Service of the Federation.

7.0. REFERENCES/FURTHER READING

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MODULE 3 PUBLIC ENTERPRISES MANAGEMENT

UNIT 1 THE PUBLIC ENTERPRISES CONCEPT

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- 2.0 Objectives
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- 5.0 Summary
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1.0 INTRODUCTION

The major function of the government is to make policies and get them implemented. Certain policies of government require programmes and projects for their implementation. Government ministries have operational arms to carry out such programmes and projects. These are known as public enterprises/Parastatals/government-owned companies, among other names. These enterprises are fully or partially owned by the government. This unit is on the concept of public enterprises. It discusses the origin of public enterprises, the justification for public enterprises and the criteria for identifying public enterprises.

2.0 OBJECTIVES

After studying this unit, you should be able to:

- (a) Define public enterprises;
- (b) Explain the origin of public enterprises;
- (c) Justify the creation of public enterprises;
- (d) Enumerate the criteria for identifying public enterprises.

3.0 MAIN CONTENT

3.1 Definition of Public Enterprises

United Nations Organizations (UNO, 1974), defines public enterprises as those enterprises in which the government has majority ownership and/or management. An earlier definition by the United Nations (UNO, 1968) defines public enterprises as industrial, agricultural and commercial concerns, which are owned and controlled by the central government (in a unitary state), or the federal government and regional government (in a federation). Ezeani (2006) defines public enterprises as legally constituted bodies operating services of an economic or social character or both on behalf of the government.

Putting all these three definitions together, you can see that a public enterprise is an organization wholly or majorly publicly owned, set up to achieve commercial and social goals. They also engage in economic activities within the sphere of agriculture, industry, commercial or services involving investment and returns as well as sale of goods and services; and their affairs are capable of being stated in terms of balance sheets and profits.

This comprehensive definition agrees with Adamolekun (2002 quoted in Ezeani, 2006) modified in his assessment of the characteristics of public enterprises. These are that:

A public enterprise as an organization is an entity with explicit or implicit specific objective and resources are utilized in the pursuit of these objectives. The government controls the majority of the shares, leaving other shareholders to hold the remaining shares.

As a corporate body, a public enterprise has a legal personality separate from that of the government that establishes it. It can own property, enter into contracts, and sue and be sued. In recent developments across the southern Sahara African countries, this feature is being stressed as a key element of a public enterprise. Consequently, departmental organizations are being surreptitiously accorded the corporate body status.

The entrepreneurial objective connotes business orientation. However, this should not be equated with profit making. The aim of many enterprises is to promote efficiency and breaking even. A public enterprise is, by virtue of its intricate relationship with government, an instrument of public policy, therefore, naturally under governmental control. Second, by its nature, a public enterprise mostly utilises or manages public resources, especially public money. 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 instruments. Public enterprises can adapt some private enterprise principles and practices (e.g. commercial law and management practices) with positive consequences for performance.

3.1.1 Nomenclature of Public Enterprises

In terms of nomenclature, public enterprise has many variants with many synonymous terms. Among these terms are:

1. Public sector undertaking
2. Nationalised industries
3. Socialised industries
4. State-owned industries
5. State-owned enterprises
6. Government concerns
7. Parastatals
8. Public business undertakings
9. Industrial and commercial undertakings
10. Public corporation

11. Crown corporation (Canada)
12. Statutory corporation (Australia)

3.1.2 Need for a Definition of Public Enterprises

A definition of public enterprise is necessary for many reasons, among which are:

1. A clear definition of a concept is needed for statistical purposes. In research, a clear definition of the subject of study must be provided for data gathering and analysis. It is also needed in case two concepts or more are being studied.
2. International funding organizations need to have a clear idea of what a country regards as a public enterprise. Terminologies may differ but the definition may be the same.
3. For conceptual clarification, a definition is needed to understand the objectives and goals of public enterprises and its relationship with other arms of the government and the private sector.

Self Assessment Exercise

1. List 10 nomenclatures of public enterprises.
2. Explain the origin of public enterprises.
3. In your own words, define public enterprises.

3.2 Origin of Public Enterprises

It would interest you to know how public enterprises started. Tokunboh (1990) narrates the origin of public enterprises. According to him, one of the earliest examples of institutionalized public service was the British Post Office in 1516, a 'Master of Posts' was appointed by the King of Britain at that time, to run regular postal service along the major roads with couriers operating a relay system. In 1635, there was a Royal proclamation establishing a postal service for England and Scotland to be organized by a London merchant – Thomas Witherings. By 1682, a rival, William Dockwa started to run a private post in which letters were prepaid and stamped to indicate place and time of posting. This was disallowed in 1682 as an infringement of state monopoly. The Post Office thus enjoyed the monopoly of carrying letters all over the kingdom. The institutionalization of a public enterprise was born by this action.

The emergence of public enterprises took root in the socialist philosophy as against capitalism. It is also a developmental strategy. Public enterprises' choice as a developmental strategy led to a series of organisations under the control and management of government organisations. Examples are: the Rail transport in India, South Wales in Austria and Nigeria in 1898. Another is the Tennessee Valley Authority in America.

3.3 Justification for Public Enterprises

You may have thought of the question: ‘Why does a nation need public enterprises’? Ezeani (2006) explained some of the justification for public enterprises, which you will find useful.

1. The paucity of indigenous private sector that can undertake to provide certain infrastructural facilities, particularly, in services requiring heavy financial investment such as railway, electricity, ports and harbour, airways.
2. Establishment of public enterprises by the state enables it to pursue objectives relating to social equity which the market would ignore, notable among which is preventing “the concentration of wealth or the means of production, and exchange in the hands of few individuals, or of a group” (Quoted in Adamolekun, 1983:48). Others are provision of employment and ensuring that a great majority of the citizens have access to essential goods and services at an affordable price.
3. Paucity and sometimes lack of private incentives to engage in promising economic ventures due to factors such as uncertainty about the size of local markets, unreliable sources of supply, and the absence of technology and skilled labour (Obadan, 2006:6).
4. The need to ensure government control over “strategic” sectors of the economy such as central banking, broadcasting, iron and steel, international air transport, shipping, etc. (Adamolekun, 2002:35).
5. State control of key profitable enterprises enables it to generate revenues that will add to available national capital for financing development programs and projects.
6. State ownership of some enterprises is seen as a means of employment creation in a situation where the private sector of the economic offers very limited employment opportunities.
7. Public enterprise is seen as a veritable instrument of national plan implementation, especially, in a context where the private sector appears weak.

3.4 Criteria for Identifying Public Enterprises

The many nomenclatures of public enterprises make it necessary to specify the criteria with which public enterprises could be identified. These criteria include (Tokunboh, 1990):

1. The ownership element – National, state or local government must be a full or part owner and must be able to exercise control on the management of a public enterprise. Government usually has 51 percent of the shares in a public enterprise.

2. Public interest need element – Public enterprises are organizations set up in public interest and need. Not all public enterprises are expected to breakeven. Others, such as airports, are sometimes to open up a state or region for development.
3. The field of activity is another criteria – A public enterprise should be an organization of an economic nature, for example, industry, tourism, agriculture, trade, transport and educational services.
4. The concept of return on investment – Public enterprises should involve capital investment and the use of working capital on which a return is expected or at least the organisation should breakeven.
5. The concept of marketing – Public enterprises should have products for sale (goods and services) for sale at a price.
6. The concept of commercial accounting – Public enterprises should be able to present their accounts in form of balance sheet or profit and loss accounts.
7. The concept of legal entity – A public enterprise could be sued and could sue. It is a legal entity.

3.4.1 Classification of Public Enterprises based on Functions and Objectives

Regardless of their legal status, public enterprises can be classified into the following groups on the basis of their functions and general objectives:

- (a) Service Organizations: These are created to deliver services to the public, for example, health, education, sports, training and other public utilities where profits are not expected to be made.
- (b) Infrastructural Organizations that are created to provide basic inputs to the development process. Examples of these are: banks, insurance companies, marketing boards, communication and transportation. Whether or not any of these organizations should make profit is explicitly stated in the statutes setting them up.
- (c) Industrial and Commercial Organizations that are expected to earn surplus either for re-investment or as a source of revenue for the government. Examples are Ajaokuta Steel Rolling Mill, Jebba Paper Mills, the now defunct Cement factories; Solid minerals exploitation such as Jos Mining Corporation and Nigeria National Petroleum Corporation (NNPC).
- (d) Promotional Enterprises that are created to promote development projects in disadvantaged regions such as Ompadec/Niger Delta Development Authority

4.0 CONCLUSION

The concept of public enterprises is an old one which has not yet outlived its usefulness. Despite the clamour for privatization and a private sector led growth, the collapse of big private institutions in America and Europe is pointing to the need for state intervention in economic activities. However, public enterprises performance needs to be monitored to ensure that the principles of total quality management, efficiency and effectiveness are adhered to.

5.0 SUMMARY

In this unit, we have defined the concept public enterprises. We explained the origin of public enterprises; discussed the justification for the creation of public enterprises; and enumerated the criteria for identifying public enterprises.

6.0 TUTOR-MARKED ASSIGNMENT

1. Why does a government need public enterprises?
2. What are the characteristics of a public enterprise?
3. Why do we need a definition of public enterprises?

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MODULE 3

UNIT 2 MANAGEMENT OF PUBLIC ENTERPRISES

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1.0 INTRODUCTION

Management is the utilization of resources to achieve organizational goals efficiently, economically and effectively. Efficiency has to do with the management of output and inputs in such a way that outputs are greater than the inputs. Economical operations are based on purchasing the right quality for the right price while effectiveness has to do with achieving the results or the reasons for setting up a public enterprise. Unit 1 dealt with why nations need public enterprises. For example, the various government hospitals would be effective if there is decrease in mortality rates, morbidity, poor management of patients, among others. To achieve the Public Enterprises objectives, a public enterprise requires good organizational structure, control and accountability procedures as well as performance measures. All these are discussed in this unit.

2.0 OBJECTIVES

After studying this unit, you should be able to:

- (a) Draw the organization structure of public enterprises;
- (b) List the sources of finance of public enterprises;
- (c) Explain the control functions of the key actors in the evaluation of public enterprises performance;
- (d) Enumerate performance measures of public enterprises.

3.0 MAIN CONTENT

3.1 History of State Enterprises in Nigeria

Historically, state enterprises in Nigeria, began in 1898 when the British colonial administration undertook the railway transport project from Iddo in Lagos to the hinterland. This was followed by coal mining; electricity generation and ports construction with the development of relevant government organizations. All these organisations were established as administrative organs to facilitate trade and commercial activities in Nigeria. They were managed as government departments. The railway corporation was considered very important, then, so the General Manager was a member of the Legislative Council (Tokunboh, 1990).

In 1949, the structure of seeing public enterprise as government departments came to an end. This was as a result of a labour dispute at the Enugu Coal Mines when, arising from a go-slow strike by the mine workers over wage claims, 21 miners were shot and killed by the police. A Commission under Fitzgerald was set up to carry out an investigation of the incident. A major

recommendation of the commission was that government departments such as coal, mines, electricity (ECN) and railways should be transformed into public corporations.

Coal Mines	-	Nigeria Colliery Department
Electricity	-	Electricity Corporation of Nigeria (ECN)
Railways	-	Nigerian Railway Corporation
Ports	-	Nigerian Ports Authority

Since the 1950s, the growth of public corporations has been remarkable. By 1983, there were about 300 out of which 136 major ones were owned by the federal government alone. By 1988, there were about 3,000 state-owned enterprises of various forms and sizes.

In Nigeria, both the federal and state governments were using the public enterprises as employers of last resort. Hemming and Ali (1988) noted that state-owned enterprises enabled governments to pursue goals of social equity that the market ordinarily ignored. Many government undertakings were used to provide jobs for constituents, political allies and friends. The location of public enterprises had been defended on the need to maintain “federal character” and promote national integration.

One factor that accelerated the growth of public enterprises in Nigeria was the indigenization policy of 1972 as enacted by the Nigerian Enterprises Promotion Decree (Federal Government of Nigeria, 1972). The policy gave legal basis for extensive government participation in the ownership and control of the economy. In 1989, the Technical Committee on Privatization and Commercialization remarked that as at 1980, there were 70 non-commercial and 110 commercial federal enterprises and Parastatals, many of which depended on government support to cover their operational losses.

3.2 Forms of Public Enterprises in Nigeria

Public enterprises take various forms. Broadly, these can be categorized into three (Adamolekun, 2002), namely:

- (1) The government department;
- (2) The statutory corporation;
- (3) The state company.

(1) The government department

Originally, this was the form in which public enterprises existed. The formations of the other forms – the statutory and state company are responses to the need to reduce excessive central control by governments. This is also to say in other words that the government department is the form of public enterprise in which the management has the least autonomy. Unlike the other two, there is no partnership with the private sector. They operate with money appropriated under more or less detailed headings (either by items of expenditure or by functions) and issued from a single government fund. The staffs are usually civil servants although fairly stringent staffing and financial rules are applied.

Sometimes, it is possible for a government department to be given a legal personality and made “self accounting” with its own financial and personal rules. In such an instance, it becomes very difficult to see the difference between a government department and a statutory corporation, except that the minister is directly responsible in the case of the former.

(2) The statutory corporation

These are established by Law or Acts of parliament and exist as separate legal entities. Here, the minister has no direct responsibility for the corporation. Such enterprises are set up with Statutes that provide the mandate for their activities.

(3) The state company

These also have distinct legal personalities. They are usually established to avoid the ministerial/departmental control. They are registered under the normal company law. The registration and operations of these companies are the same for privately owned companies. The only difference is that the government has majority shares.

3.3 Organization Structure of Public Enterprises

The principal actors in the management of public corporations are the Board, the General Manager/Managing Director/ Director General and the Secretary of the board (Ezeani, 2006).

3.3.1 The Board of Directors

The board of a public enterprise plays a key role in its management. Government from within and outside the government circles appoints the board of directors of a public enterprise. Its primary responsibilities include:

(1) Formulation of policies and priorities within the framework of broad government policies and priorities (Adamolekun, 2004);

(2) Approval of public enterprises budget, monitoring of its performance and protection of its management from encroachments of sectional interests (Adamolekun, 2004). The performance of a public enterprise is, therefore, largely, dependent on the quality of its board.

Adamolekun (2004) identified two types of boards of public enterprises: the policy board and the executive board. The policy board is composed mostly of persons from outside the organisation with the chief executive as the only internal board member. The policy board is more widespread than the executive board. Most public enterprises in Nigeria have policy boards.

The executive board is composed mostly of persons who are heads of major units of the organisation, with the chief executive as the chairman. There are normally few outside members appointed to represent outside interests in the board. The Nigerian Railway Corporation is an example of a public enterprise that has an executive board. The main advantage of the executive board is that the body responsible for policy is not separated from management. Again, the appointment of a few outsiders to the board, apart from ensuring that perspectives from outside the enterprise are considered, also constitutes a form of control.

It is important to state that the size and composition of the boards vary from one country to another as well as from one public enterprise to another. The size usually ranges from a minimum of five to a maximum of about twenty-five members. In general, the size of an enterprise's board depends on its scope and strategic importance within the economy. Worthy of note is lack of consensus on who should be appointed into the board. The tenure of the board membership varies from one country to another, ranging from two to six years, and could be renewed (Adamolekun, 2004).

3.3.2 The General Manager/Managing Director/Director General or equivalent

The General Manager supervises the actual operational functions of the public enterprises. He usually possesses professional knowledge of one or more areas of the corporation's operations. The General Manager plays a vital role in the success or failure of the public enterprises. As Olisa et. al. (1990) state, "he is the person who comes into direct touch with all the corporation's staff, and he can take a wide range of decisions on his own initiative, in order to ensure that the corporation is functioning smoothly and effectively". Several Heads of Departments who are in charge of various departments, divisions and sections of the public enterprises usually assist the General Manager.

3.3.3 The Secretary of the Board

The Secretary of the board records the board's transactions and decisions. In many public enterprises, the Secretary is a lawyer, who gives legal advice to the organisation whenever necessary. The Secretary, therefore, helps "to clear any doubts or misinterpretations about the boundaries of authority, and function between all categories of officials of the corporation" (Olisa, et. al. (1990:86). In the University, the Registrar serves as the Secretary to the Governing Council, Senate, Congregation, Convocation and other statutory Committees.

3.3.4 Recommendations to Improve the Performance of the Board

The following are the recommendations to improve the performance of the Board:

1. Board members should have a clear idea of their responsibilities and authority, and objectives of the organisation.
2. Board members should be trained in the principles of managing the public enterprises.
3. Size of the Board should be related to the functions of the organisation. However, board of 6 – 9 qualified members of integrity is recommended.
4. Required qualifications of Board members should be spelt out and enforced.
5. Level of remuneration/compensation should be commensurate with the work performed. Performance contract is advocated.
6. Tenure of a Board should be from 3 – 5 years, with possibility of continuity.
7. Use of Board Committees or subsidiary Boards is recommended for faster decision making.

Self Assessment Exercise

1. Describe briefly the origin of public enterprises in Nigeria.
2. Describe three forms of public enterprises in Nigeria.
3. Describe the three top levels in the organization structure of a public enterprise.

3.4 Financing Public Enterprises

Ezeani (2006) explains the financing of public enterprises. He states that there are two main sources of funding public enterprises which are internally generated revenues and externally generated revenues.

3.4.1 Internally Generated Revenue

This is revenue generated internally by public enterprises from trading surpluses, taxes and dividends and earnings from sales of goods and services after payment of employed capital. The amount of revenue derived internally by public enterprises is usually small due to the fact that they are not primarily established to make profit. Furthermore, government's control over public enterprises tariffs and prices constrains their capacity to make profit (Adamolekun, 2004).

3.4.2 External Sources

External sources of funds to the public enterprises comprise of funds from the government, national financial institutions, local private entrepreneurs, and international sources. We shall discuss, in detail, each of these sources of funding.

1. Government Sources

Public enterprises derive different kinds of funds from the government. They include:

- (a) Capitalization funds: These are funds provided by the government in order to meet the needs of public enterprises, in terms of equipment, plant, and running capital (Adamolekun, 2004).
- (b) Grants: Public enterprises receive various grants from the government. Grants can be statutory or special. Special grants are given for specific projects or activities, whereas statutory grants also referred to as subventions, are regular and mandatory.
- (c) Subsidies: These are funds given to public enterprises to assist them offset the losses they incurred due to the following reasons: operation of uneconomic routes; government control of tariffs and prices, etc.
- (d) Loans given to them by the government to ease their financial management problems or to assist them in specific projects or interventions that are of special interest to governments (Adamolekun, 2004). The main disadvantage of loans is that they are not a reliable source of revenue.
- (e) Equity: This is a situation whereby “Government in its capacity as a shareholder in a joint venture, contribute to increase the capital of the enterprise or to increase its share” (Adamolekun, 2004).

2. National Financial Institutions

Public enterprises derive their revenues from financial institutions in the form of either equity or loans. For instance, financial institutions that have shares in mixed economy enterprises (public enterprises have the government as the major shareholder, operating in collaboration with other private investors) could decide to increase their shares in the enterprises.

3. Private Entrepreneurs

Private entrepreneurs are external sources of funding for public enterprises. They do this through equity (shareholding) or contractor finance. Contractor financing is a situation whereby a private entrepreneur funds a particular project for a public enterprise (e.g. a building) and is refunded later along with agreed interest.

4. International Sources of Funds

Public enterprises also derive their external funding from international sources, such as foreign private sector (financial institutions, as well as entrepreneurs), international development agencies, and in some cases, foreign government (Adamolekun, 2004).

In conclusion, public enterprises rely mainly on external sources of funds than on internal sources. Also in virtually every sub Saharan African country, public enterprises rely mostly on government funding. Furthermore, they must get government approval before they borrow from both the domestic and the international capital market. The implication of heavy dependency on government for funding is limited autonomy for the public enterprises (Ezeani, 2006).

3.5 Control and Accountability in Public Enterprises

In section 3.2, you learnt about the structure of public enterprises. Three distinct levels in the organization structure are the Board, the General Manager or Chief Executive and the Secretary to the Board. This structure also dictates the control and accountability procedures in public enterprises.

3.5.1 Definition of Control

Control is the function which a manager performs that enables corrective action to be taken. Controls are signals, standards and landmarks or progress points which management watches to ensure that the desired objective will be achieved. In the case of public enterprises, control is the measurement and correction of activities of public enterprises to ensure the accomplishments of short and long-range plans. Examples of controls are: budget, return on investment, profitability, absenteeism, and efficiency.

3.5.2 Definition of Accountability

Accountability is being answerable for the performance of given responsibilities and according to the standards or objectives set. It answers the question “how well”. In the case of public enterprises, it means reporting and explaining on how the resources of the organization were used to achieve predetermined goals/objectives. Implicit in accountability is reward. Recognition and reward should be given for good performance while inadequate performance should be sanctioned. Public enterprises are accountable to their supervising authorities/the government and the public. Examples of accountability methods are quality of product and over service rendered, annual reports, external audit, judicial inquiries, press conference, physical inspection, scrutiny by other agencies.

3.5.3 Control of Public Enterprises

Public enterprises being owned by government, either wholly or partially, are subject to some control. The two main forms of control are ministerial control and parliamentary control (Ezeani, 2006).

1. Ministerial Control

Ministerial control of public enterprises takes various forms: firstly, a PE must inform its supervising ministry, and obtain its permission before it makes any major changes, and embarks on any new important lines of operation, especially, where such major changes affect the public interest. For example, a public corporation, such as the Power Holding Company of Nigeria (PHCN), must obtain clearance from its controlling ministry before it takes any major decision on almost all the major areas of its operation. Examples are personnel issues, increases in electricity bills, introduction of new products into the markets, construction or purchase of important technical installation, etc. (Olisa et. al., 1990). The second form of ministerial control is in the appointment of board members. The President is politically responsible for the appointment of the board and can dissolve it if he is not satisfied with their performance. Usually, the controlling ministry has a representative in the board whose role is to explain government position on important issues, and ensures that the corporation's affairs are managed along public service rules and other conditions of service of the public enterprise.

Each ministry, at the end of the year, prepares an annual report which it submits to the government through its supervising ministry. The ministry after studying the reports asks questions where necessary, before submitting the report to the government with its own comments. The minister also appoints auditors to audit the account of public enterprises and intervenes whenever there is a crisis, like employees of a public enterprises embarking on riots or strikes or destruction of public property.

2. Parliamentary Control/National Assembly

Apart from ministerial control, public enterprises are ultimately accountable to the National Assembly through their ministers, who are the political heads of the specific government ministries and oversee public enterprises. Parliamentary committees maintain oversight functions over the public enterprises (Adamolekun, 2004). Parliamentary control takes the following forms (Ujo, 2001:83):

- (a) Control through annual report- A public enterprise usually submits a comprehensive annual report of its activities to the parliament through the Minister.
- (b) Control through annual account- A public enterprise usually submits its annual account for a given financial year to the parliament. Such annual account and report are subject to debate in the Parliament, and
- (c) The Financial Committee of the House may summon the Minister whose ministry supervises a particular public enterprise to explain or discuss issues concerning his/her corporation.

3. Judicial Control

Many public enterprises in Nigeria have, at one time or the other, been subjected to judicial control by the government. From time to time, a government sets up a commission of inquiry into the affairs of one or other of its public corporation (Olisa, et. al., 1990). This action is prompted by public or employee outcry about corruption, mismanagement or incompetence in the company/organisation.

3.5.4 The Objectives of Control in Public Enterprises

The objectives are as follows:

1. The major purpose of control is to ensure that the objectives of the public enterprise are achieved.
2. The effectiveness of public enterprises control is to ensure that the resources of the organisation are adequately used such that outputs are greater than inputs.
3. To ensure the implementation of government policies and targets.
4. To ensure financial responsibility. It facilitates accountability of management to higher authority and watches for misuse of fund.
5. To ensure the achievement of social objectives of the government and achievement of non-commercial objectives.
6. To curb the undue use of power of management.
7. To minimise centralisation/concentration of power by supervising ministry or board.
8. To provide timely, accurate and sufficient information to appropriate authorities and the public for the appraisal of the effectiveness of public enterprises.

The agencies of control of public enterprises are:

1. National Assembly/Parliament
2. Minister/ Supervising Ministry
3. Board
4. Accountant General/Auditor General
5. Public Accounts Committee

- 6.. Special Agencies of Control for example, Consumer Associations, Economic and Financial Crimes Commission, and Independent Corrupt Practices and Miscellaneous Offences Commission.

1. National Assembly/Parliament as a Control Organ

In any democratic setting, parliament is assigned the function of control and account of public enterprises.

The Need for Parliamentary Control are:

- (i) to fulfill constitutional responsibilities;
- (ii) to protect capital invested in the public enterprises;
- (iii) to safeguard public interest;
- (iv) to ensure uniformity in policies of government;
- (v) to monitor the implementation of policies;
- (vi) to control the civil servants in the supervising ministries and public servants in the public enterprises.

2.Methods of Control by Parliament

1. Parliamentary questions;
2. Discussions;
3. Debates on outstanding issues; and
4. Parliamentary Committees on public enterprises for indepth analysis of issues.

3. Minister as a Control Organ

A Minister exercises control through one or the other, or combination of the following methods (Prakash et. al., 1997):

- (i) ***Formal Ministerial Control***
 - (a) Administrative devices
 - Issue of general policy directions;
 - Issue of specific directions;
 - Approval or veto of specified categories of actions and policies;
 - Participation in management as chairman, member of the board, etc;
 - Appointment of government board and top officials of the enterprises;

- Power to call for reports, returns, etc. and
 - Power of suppression.
- (b) Financial devices
- Approval of issue of additional capital;
 - Approval of capital expenditure beyond specified limit;
 - Appointment of financial adviser; and
 - Prior approval of operating budget.

(ii) ***Informal Ministerial Control***

Under such control method, the Minister concerned is able to wield more effective control over SOEs informally. Such informal control is exercised through consultation and discussion between the Minister and the Board behind closed doors or pressures, wire pulling or other informal contacts.

4. Accountant General/Auditor General

In many countries, audit control is vested in an auditor general. The power of auditor general varies from country to country depending on the legal frameworks.

Basically, the audit control by Auditor-General covers the following:

- (i) Provision of funds
- (ii) Regularity
- (iii) Sanctions to expenditure
- (iv) Propriety
- (v) Efficiency audit.

5. Public Accounts Committee

This is a committee of the Senate consisting of not more than 40 members, who are saddled with the responsibility of examining the accounts of government organizations showing the appropriation of the sums granted by the House to meet Public Expenditure, together with the auditor's reports thereon. The Committee shall for the purpose of discharging that duty, have power to summon persons, subpoena papers and records, and report its findings and recommendations to the House from time to time. The Auditor General shall bring to the attention of the committee any prepayment audit queries raised by the Internal Auditors of a Ministry, Department or Agency but overruled by the Chief Executive

7.Special Agencies of Control- Examples are: Consumer Associations, Economic and Financial Crimes Commission, and Independent Corrupt Practices and Miscellaneous Offences Commission.

3.6 Problems of Public Enterprises in Sub Saharan African (SSA)

The performance of public enterprises in Sub Saharan Africa (SSA) and in Nigeria has not lived up to expectations. In general, they face the following problems:

1. Distorted Pricing Policy

The pricing of public enterprises is not guided solely by profit optimization principle. In the case of Power Holding Company of Nigeria, prices are kept low by government even when costs have been rising.

2. Inappropriate Investment Decisions

Many sub-Saharan African public enterprises have been established without sufficient reflection, with unclear objectives and few linkages to the rest of the economy (Savas 1971).

3. Heavy Burden of Social Overheads

The prevalence of social objectives has greatly complicated the operation of public enterprises in Sub Saharan Africa by making commercial criteria almost inapplicable. In Ethiopia, public enterprises are expected to provide many social infrastructure, which creates heavy financial burden.

4. Under Capitalization

Sub-Saharan Africa suffers from insufficient equity capital. This problem worsened through drastic cuts in government subvention to public enterprises.

5. Excessive Political Interference

Public enterprises also suffer from frequent political interference. They are often seen as instruments of political patronage by the government in power. This results in overstaffing, poor choices of product and location, recruitment of mediocre, etc.

6. Absence of Competitive Environment

This leads to complacency on the part of the management of most public enterprises, resulting in poor service delivery and inefficiency.

7. Corruption

PE managers and political appointees see most public enterprises, especially in the developing countries, such as Nigeria, as instruments for private wealth accumulation. Consequently, huge sums of money are often siphoned into private accounts, leading to huge losses by the enterprises.

8. Poor Infrastructures

The deteriorating state of infrastructures in most African countries also contributes to the failure of public enterprises as they contribute to high cost of operation. In Nigeria, for instance, power supply is unreliable, consequently, most public enterprises rely on standby generators which cost much to purchase and maintain. In addition, the roads are in a bad state.

4.0 CONCLUSION

The success of public enterprises depends on the strict application of management principles and practices. There is no short cut to efficiency and effectiveness. The resort to sale of public enterprises confirms the fact that inefficient management cannot produce the desired results. The problems of public enterprises in Sub Saharan Africa should be addressed as a means of improving their performance.

5.0 SUMMARY

This unit presents a brief history of public enterprises in Nigeria. We also discussed and drew the organisation structure of public enterprises; listed the sources of finance of public enterprises. Also we explained the control functions of the key actors in the evaluation of public enterprises performance; enumerated performance measures of public enterprises and the problems of public enterprises in Sub Saharan Africa.

6.0 TUTOR-MARKED ASSIGNMENT

- 4.1 Explain the sources of fund for public enterprises in Nigeria.
- 4.2 How can public enterprises be held accountable for their performance?
- 4.3 What are the problems of public enterprises in Nigeria?

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MODULE 3

UNIT 3 COMMERCIALIZATION OF PUBLIC ENTERPRISES

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1.0 INTRODUCTION

The major reason for establishing public enterprises is to enhance natural development through the provision of goods and services at agreed prices. They are, therefore, expected to yield some revenue and not run at a loss. However, public enterprises in Sub-Saharan Africa and in Nigeria in particular, suffer from gross mismanagement and inefficiency in the utilization of resources, especially financial resources. They also suffer from corruption and nepotism (World Bank, 1991). Ogundipe (1986) reports that between 1975 and 1985, government capital investments in public enterprises totalled about N23 billion. During the period, government also gave subsidies of N11.5 billion to various state enterprises. These are funds that could have been diverted to other government projects. The conclusion of scholars in the field of public enterprises management is that their performance is below average (Obadan, 2000; Adamolekun, 1983; and Sanusi, 2001).

In order to stem the tide of inefficiency of public enterprises, some developed and developing countries embarked on reforms of public enterprises. This reform was kick started by Britain, which embarked on a comprehensive privatization programme. New Zealand embarked on both Privatization and Commercialization programmes (Ezeani, 2006).

This unit is on commercialization of public enterprises. The discussion in this unit dwells on the definition of commercialization, the necessity for commercialization and the modalities for commercialization of public enterprises.

2.0 OBJECTIVES

After studying this unit, you should be able to:

- (a) Define commercialization;
- (b) Explain the necessity for commercialization of public enterprises;
- (c) List the modalities for commercialization of public enterprises;
- (d) Explain the usefulness of the modalities for commercialization of public enterprises.

3.0 MAIN CONTENT

3.1 Definition of Commercialization

Zayyad (2011) defines commercialization as the reorganisation of enterprises, wholly and partially owned by the government, in which such commercialized enterprises shall operate as profit-making commercial ventures without subvention from the government. Zayyad (2011) further explained the main thrust of the Nigerian Commercialization programme. These are to:

- provide enhanced operational autonomy to a public enterprise;

- evolve a more results-oriented and accountable management, based on performance contracts;
- strengthen financial/accounting controls at the enterprise level;
- upgrade the management information system of the affected enterprises;
- ensure financial solvency of the public enterprises through effective cost recovery, cost control and prudent financial management;
- remove bureaucratic bottlenecks and political interference through clear role definitions between the supervising ministry, the board of directors and the management of public enterprises.

By the Privatization and Commercialization Decree of 1999 (Federal Government of Nigeria, 1999), commercialized enterprises were classified as fully commercialized or partially commercialized. All commercialized enterprises have the power to operate as purely commercial enterprises and may be subjected to the general regulatory power of the Federal Government. They can:

- (a) Fix rates, prices and charges for goods and services provided;
- (b) Have capital assets;
- (c) Borrow money and issue debenture stocks;
- (d) Sue and be sued in their corporate name.

Wholly commercialized enterprises are expected to be self sufficient in both its recurrent and capital expenditure. It implies that such enterprises should be able to pay the salaries of their staff without government subvention. It is expected that where the enterprises cannot generate the level of resources needed for capital development, they should be able to raise such funds from the capital market (Zayyad, 2011).

Partially commercialized enterprises are equally expected to operate like the fully commercialized ones in terms of efficient management. However, because of the public interest, nature of their goods and services, their charges are controlled by government. This limitation implies that government will provide subsidies and subvention for the running of the enterprises.

Examples of fully commercialized enterprises are (Federal Government of Nigeria, 1999):

1. Nigerian National Petroleum Corporation
2. Tafawa Balewa Square Management Committee
3. Nigerian Ports Authority
4. Federal Mortgage Bank of Nigeria

5. Nigerian Industrial Development Bank Limited (now Bank of Industry)
6. Nigerian Bank for Commerce and Industry Limited
7. Federal Mortgage Finance Company Limited
8. Federal Housing Authority
9. Nigerian Social Insurance Trust Fund.

The partially commercialized enterprises are:

1. Nigerian Railway Corporation
2. Cross River Basin Development Authority
3. Hadejia – Jama'are River Basin Development Authority
4. Niger River Basin Development Authority
5. Federal Radio Corporation of Nigeria
6. Nigerian Television Authority
7. News Agency of Nigeria
8. Nigerian Postal Services.

3.2 Necessity for Commercialization of Public Enterprises

The dismal performance of public enterprises in Sub Saharan Africa, led to their being commercialized. In section 3.1, you have learnt about the differences between fully and partially commercialized enterprises. The following constitute the major reasons for commercializing public enterprises:

1. Many public enterprises(Power Holding Company of Nigeria) operated without due consideration given to financial costs or returns. For example, Rweyewanu (1975) states that between 1960 – 1965, the Nigerian Railway Corporation alone had 13 inquiries into its activities. In 1965, it had a deficit of N7 million.
2. Privatization has not yet changed substantially the balance between public sector organisations and the private sector in many countries in Sub Saharan Africa (Sava 1971).
3. Restricting public enterprises and making them efficient and effective are the most important requirements for national development.

4. Public enterprises are still very important and need to be managed effectively because they are still responsible for providing services that cannot be produced by the private sector, particularly infrastructure.

Self Assessment Exercise

1. List five fully commercialized public enterprises.
2. List five partially commercialized public enterprises.
3. Define commercialization.

3.3 Modalities for Commercialization of Public Enterprises

For efficiency and effectiveness, public enterprises should operate with wider application of commercial principles and the broader use of competition. The deregulation of the Nigerian economy, for example, has enhanced the need for public enterprises to achieve their objectives. The New Public Management introduced the concept of Public-Private Partnership. Many of the modalities for commercialization of public enterprises in Sub Saharan Africa are based on partnership with the private sector or private sector oriented management principles. The modalities discussed in this section are (Meshasha, 1997):

1. Performance contract
2. Corporatization
3. Strategic alliance
4. Management contract
5. Leasing
6. Contracting out services
7. Joint ventures, and
8. Concession.

3.3.1 Performance Contract

Performance contracts are negotiated agreements between the government as the owner and the public manager as an agent. Performance contract define explicit commercial goals and non-commercial goals. The main purpose is to increase accountability of managers as well as the responsibility and obligations of the government.

Elements of Performance Contract include:

- policies and parameters
- performance indicators (quantitative and qualitative)
- the power of the managers
- reward (good performance be rewarded, poor performance be penalized)
- finance and investment plan.

Incentives for contractor are:

- increased managerial autonomy
- rewards for the manager and workers in exchange for fulfilling agreed targets
- non-pecuniary benefits such as broadcasting award ceremonies or special press coverage – NAFDAC and Prof. Dora Akunyili.

3.3.2 Corporatization

Corporatization refers to the transformation of a public enterprise or government agency into a legal entity subject to company law, including formal separation of ownership and management responsibilities e.g. through a board of directors (World Bank, 1994). Government continues to set the basic goals and regulates the affairs of agency's conduct to ensure adequate return on investment.

Advantages of corporatization are:

1. It insulates public enterprises from many government constraints, interventions and pressures.
2. There is managerial autonomy, prices can be set at levels that ensure financial viability, strength and incentives. Examples of success stories are Austria and Italy in late 1980s as well as Ghana. In Ghana the state transport corporation had 67% reduced cost and 92 – 111 percent increase in revenue (World Bank, 1994).

3.3.3. Strategic Alliance

This refers to a sustained cooperation between a well-run, mature company and a less experienced or poorly performing company. An example you are familiar with is the alliance between the defunct Nigeria Airways with Virgin Atlantic.

3.3.4 Management Contract

Management contract is an arrangement whereby a private contractor assumes responsibility for a full range of operations and management of SOE with full authority to make decisions pertaining to management and operations of the public enterprise. Management contract is an agreement between the government and a private party to operate and manage a public enterprise for a fee (success fee or fixed fee). An example is the Murtala Mohammed Local Airport.

Criteria to be met in the contractual agreement are:

1. Management of the enterprise is transferred to the contractor;
2. The prerogatives and duties of the two parties are stipulated in a binding contract;
3. Contractor items include:
 - performance indicators
 - targets
 - structure of compensation
 - responsibilities for investments
 - conflict resolution mechanism.

Examples of this type of arrangement are found in Tanzania, Malawi, Uganda, Gambia, Kenya, Gabon among others.

3.3.5 Leasing

Leasing involves a private contractor paying the public owner for exclusive right to operate facilities for specified period and bearing full commercial risks. It requires government to commit itself to tariffs that cover at least operating and maintenance costs plus incentives to the operator to minimize costs and make some profit. Examples are shops at the airport terminals.

Advantages of leasing are:

- It relieves the state of shouldering firm's operating and investment costs;
- It generates a stable income and thereby increase public revenue;
- It encourages competition between different potential lessees;
- It retains public ownership over assets whose value increase with the improvement in management and in the financial results;
- It avoids the main problems encountered in implementation of privatization programmes, lack of financial resources to purchase SOEs.

3.3.6 Contracting out Services

This is an arrangement whereby specific operation and activities are contracted to the private sector, usually for limited period with possibilities of renewal. The public authority sets the performance standards, evaluates bidders, supervises the contractor and pays an agreed fee for services, which may be based on a lump sum, unit costs or other basis. This system is used in ticketing, cleaning, food catering, collection of municipal solid wastes, road maintenance, water supply etc. Examples abound in Nigeria, Senegal and West African countries.

3.3.7 Joint Ventures

This involves minority private participation, as a means of introducing external capital and know-how. Example of this is Hungarian Company have joint ventures with Air France and Czecho-Slovak airline.

3.3.8 Concession

In this form, the government retains ultimate ownership of either the physical assets or the right to supply, but grants exploitation rights to the concessionaire (Shaw et. al. 1996). This means, the private operator (concessionaire) manages the public facility, operates it at his/her own commercial risk and accepts investment obligations, concerning the new facility or to expand or rehabilitate an existing facility.

Elements of concession are:

1. Size of the package
2. Duration
3. Service specifications
4. Tariff authority
5. Payment terms
6. Award criteria
7. Re-negotiation terms
8. Performance assurance
9. Investment planning (level and minimum amount)
10. Exclusivity (access to facility)
11. Rights to construct, operate, provide services for a specified period.

4.0 CONCLUSION

The concept of public enterprises as a developmental strategy cannot be overruled. However, the management of these enterprises in Sub Saharan Africa and in Nigeria in particular leaves much to be desired. The success of public enterprises in Nigeria is a function of the will of government. Without the political will, non-performing public enterprises like the Power Holding Company of Nigeria will continue to maintain the status quo. Political will is required to hold public enterprises accountable for performing or non-performing, reward, and punish the

chief executives as appropriate. Without clear cut performance measures as well as reward and punishment system, public enterprises in Sub Saharan Africa will continue to underperform

5.0 SUMMARY

In this unit, you have been exposed to the concept of commercialization of public enterprises. You now know that there are two forms of commercialization which are full and partial commercialization. You have also learnt of the reasons for the commercialization of public enterprises, among which are poor performance of these enterprises and the fact that privatization has not yet changed the balance between state and private sector in many developing countries. Finally, this unit discussed eight modalities for commercialization of public enterprises including performance contract, strategic alliance, management contract and concession etc.

6.0 TUTOR-MARKED ASSIGNMENT

1. Explain the use of performance contract as a modality for commercialized enterprises.
2. Can public-private sector participation enhance public enterprises performance? Discuss

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MODULE 3

UNIT 4 PRIVATIZATION OF PUBLIC ENTERPRISES

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1.0 INTRODUCTION

All over the world, the public service has not been known for its capacity to create wealth. Attempts at using public enterprises as a development strategy has been dismal. The public enterprises became the drain pipes for government budget (Anya, 2008). A major reason for this poor performance was government's involvement in businesses that are best tackled by the private sector such as hotels, textiles, and cement production. Not only did the public enterprises perform poorly, but the funds allocated to them reduced the budget for the provision of infrastructure, security, as well as maintenance of law and order.

Anya (2008) points out that privatization as a tool of economic management came to the front burner when Chile became the first country to turn public assets/businesses to private operators in early 1970s. Since then, over 140 countries both developed and developing have embraced privatization as a route to economic growth and prosperity.

This unit dwells on the concept of privatization of public enterprises, the structure for public enterprises, privatization management in Nigeria, the forms of privatization and macroeconomic reforms for privatization.

2.0 OBJECTIVES

After studying this unit, you should be able to:

- (a) Define privatization;
- (b) List the factors that led to the emergence of privatization;
- (c) Enumerate the modalities for privatization;
- (d) Explain the problems of privatization in Nigeria.

3.0 MAIN CONTENT

3.1 Concept of Privatization of Public Enterprises

The repealed Privatization and Commercialization Act of 1988 and the Bureau for Public Enterprises Act of 1993 (Federal Government of Nigeria, 1993) defined privatization as the relinquishment of part or all of the equity shares/interests held by the government or any of its agencies, in enterprises whether wholly or partially owned by the government. It refers to the transfer of ownership of or functions (management, operations, financing) previously performed exclusively by government or public authorities to the private sector.

The Bureau for Public Enterprises Act set up the Bureau for Public Enterprises to implement the privatization programme in Nigeria. In 1999, the Federal Government promulgated the Public

Enterprises (Privatization and Commercialization) Act, which created the National Council on Privatization chaired by the Vice President, Alhaji Atiku Abubakar.

Commercialization on the other hand, means the reorganization of enterprises, wholly or partly owned by the government in which such commercialized enterprises shall operate as profit-making commercial ventures and without subventions from the government. Enterprises means any corporation, board, company or parastatal established by or under any enactment in which the government or any of its departments, ministries, or agencies has ownership or equity inherent and shall include a partnership, joint venture or any other form of business arrangement or organization.

3.1.1 Definition of Privatization

As earlier stated in section 3.1, privatization is defined as the relinquishment of part or all of the equity shares/interests held by the government or any of its agencies, in enterprises whether wholly or partially owned by the government. It refers to the transfer of ownership of or functions (management, operations, financing) previously performed exclusively by government or public authorities to the private sector.

3.1.2 Arguments in favour of Privatization

The arguments in favour of privatization are:

1. It installs appropriate pricing regime, which implies that a consumer will pay full cost of goods and services thereby eliminating under pricing.
2. It enhances competition thereby assuming highest quality, lowest prices and introduction of new technology.
3. It ensures consumer satisfaction. It enhances individual liberty and freedom of choice.
4. It opens up innovative thinking, enhances seizing new opportunities and coming up with new service delivery system and new technology.
5. It reduces public sector's borrowing requirements, less load on public treasury.
6. It promotes macroeconomic, sectoral and enterprise level efficiency:
 - from improved competition
 - improved domestic market
 - new technology
 - innovation

- new management methods.
- 7. It is a good political instrument in the sense that it reduces political meddlesomeness. Reform programme is irreversible by future government.
- 8. It reduces opportunity for corruption/misuse of government property.
- 9. It encourages broader capital ownership thereby promoting people's capitalism.

3.1.3 Arguments against Privatization

On the other hand, the arguments against privatization are as follows:

1. **Price Hike** – It will lead to price hikes/rising prices. There is the fear that the private sector will exploit consumers where there is monopoly or oligopoly.
2. **Creating Poverty** – It is perceived that privatization will hurt the poor and the vulnerable workforce, while benefiting the rich, the powerful and the privileged thereby perpetuating poverty.
3. **Breaking of Trade Unions** – Workers dismissed as a result of privatization have difficulty finding jobs. With less people in employment, the power of trade unions are weakened.
4. **Foreign Domination** – It may lead to loss of control of the economy through foreign domination.
5. It may lead to replacement of public monopoly by private monopoly.
6. **Aids Corruption** – It aids corruption through negative effect on the distribution of wealth.
7. **Injustice** – It is believed that the politicians and bureaucrats that caused the enterprises to perform poorly are also asked to carry out the reform.
8. Privatization is seen as an imposition by foreign capital agencies like the IMF and World Bank. It is seen as a way of exploiting developing countries. Workers felt threatened by loss of jobs.
9. State governments buy federal public enterprises. For example, federal government shares in NAL Bank were sold to Kano State. This is an aberration, since privatization means transfer of ownership of business enterprises from public to the private sector. Later, Kano State transferred the shares to Dantata Investment, thereby making Dantata the single largest shareholder in the NAL Bank. In November 2001, Ogun, Bauchi and Akwa Ibom State governments belonged to the Investors International London Limited that won the bid for 51 percent (majority) share in NITEL.

10. The implementation of privatization in Nigeria was highly politicized. The Bureau of Public Enterprises (BPE) is always at loggerhead with the Ministers of the ministries supervising public enterprises to be privatized. The Directors of BPE were going frequently for hearings at the National Assembly. Politicians and officials who enjoy powers of patronage are maintaining strong resistance to the sale of some public enterprises.

11. There is no adequate provision for checks and balances as the National Council on Privatization is accountable only to the President.

12. Privatization proceeds do not seem to be well utilized. They are used to finance yearly budget rather than being used to offset debts owed by the government (Ayodele Thompson, www.ipga.niger.org).

13. Privatization is being portrayed as a cure – all for the ills of an ailing economy like Nigeria, but this did not happen. Privatization can only be successful if it is well managed. The current argument is that it is “the rulers and the institutions that make for poverty or prosperity (Heritage Report in Ayodele 2011).

14. Public enterprises should stay. All they require is good management and less political interference.

3.1.4 Objectives of Privatization

The objectives of privatization are usually formulated by policy makers. Some relate to economic gains, while others emphasize socio-political gains. Some objectives are, however, not stated. The objectives of privatization have been summarized as follows (Obadan, 2000:21-22 in Ezeani, 2006):

- (a) Improving economic efficiencies (productive, allocative and X-efficiencies produced by the enterprises) against the background of poor economic performance of public enterprises. Improved efficiency is to be reflected in lower product prices and improved product quality.
- (b) Reducing fiscal deficits through increased tax revenues on enterprise output, reduction in central government transfers to the enterprise sector and receipts from privatization sales.
- (c) Reducing government interference in the economy and shifting of the balance between public and private sectors, as well as developing the private sector and promoting market forces in the economy. This is a more ideological and controversial objective as it rests on the idea that the role of the state should be diminished (Cook and Kirkpatrick, 1998).
- (d) Broadening ownership of businesses through wider shares and assets ownership, thus creating popular capitalism and fostering economic equity.

- (e) Generating new investments, including foreign investments.
- (f) Developing the capital market and deepening the financial system.
- (g) Enabling public enterprises to access markets, capital and technology, and expose them to market discipline.
- (h) Reducing the administrative burden of government, and
- (i) Providing the opportunity to introduce competition. African countries have, however, generally not been citing the encouragement of competition as a specific objective of privatization, although it may be inferred from the objectives of private sector development and increased economic efficiency.

3.2 Functions of the Bureau of Public Enterprises (BPE) in Nigeria

Part III of the Public Enterprises (Privatization and Commercialization) Decree No. 28 of 1999 (Federal Government of Nigeria, 1999) enumerated the functions of the Bureau of Public Enterprises. It states that the Bureau shall be a body corporate with perpetual succession and a common seal and may sue and be sued in corporate name. The functions of the Bureau with respect to privatization are to:

- (a) Implement the Council's policy on privatization.
- (b) Prepare public enterprises approved by the Council for privatization;
- (c) Advise the Council on further public enterprises that may be privatized;
- (d) Advise the Council on the capital restructuring needs of the public enterprises to be privatized;
- (e) Carry out all activities required for the successful issue of shares and sale of assets of the public enterprises to be privatized;
- (f) Make recommendations to the Council on the appointment of consultants, advisers, investment bankers, issuing houses, stock brokers, solicitors, trustees, accountants and other professionals required for the purposes of privatization;
- (g) Advise the Council on the allotment pattern for the sale of the shares of the public enterprises set out for privatization;
- (h) Oversee the actual sale of shares of the public enterprises to be privatised, by the issuing houses, in accordance with the guidelines approved, from time to time, by the Council;

- (i) Ensure the success of the privatization exercise taking into account the need for balance and meaningful participation by Nigerians and foreigners in accordance with the relevant laws of Nigeria; and
- (j) Perform such functions with respect to privatization as the Council, may from time to time, assigned to it.

3.3 Functions of the Council on Privatization in Nigeria

During the first phase of the privatization exercise, which spanned from July 1988 to June 1993, the following programmes were executed:

1. 36 enterprises privatized by public offer.
2. 4 enterprises were privatized on deferred public offer method.
3. 8 enterprises were privatized via private placement method.
4. 1 enterprise was privatized through management buy out method (MBO).
5. sale of non-water assets of about 18 River Basin Development Authorities (Anya, 2008).

88 public enterprises were either fully or partially privatized. The programme created a large body of shareholders. As a result, the market capitalization of the Nigerian Stock Exchange (NSE) through which the shares were sold grew from N8.9 billion in 1987 before privatization to N65.5 billion in 1994. By 2000, it stood at N428.9 billion.

As at the end of 2000, there were about 590 public enterprises listed out of which 160 were involved in economic activities, which produce goods and services. About N1,100 billion was spent by the Federal Government of Nigeria (FGN) to establish these public enterprises between 1973 and 1999. Unfortunately, their rate of return is less than 0.5 percent while employing about 420,000 workers (<http://www.bpeng.org/faq.pc.htm>).

The functions and powers of the Council are to:

- a. Determine the political, economic and social objectives of privatization and commercialization of public enterprises;
- b. Approve policies on privatization and commercialization;
- c. Approve guidelines and criteria for valuation of public enterprises for privatization and choice of strategic investors;
- d. Approve public enterprises to be privatized or commercialized;
- e. Approve the legal and regulatory framework for the public enterprises to be privatized;
- f. Determine whether the shares of a listed public enterprise should be by public or private issue or otherwise and advise the government of the Federation accordingly;
- g. Determine the time and when a public enterprise is to be privatized;
- h. Approve the prices for shares or assets of the public enterprise to be offered for sale;
- i. Review, from time to time, the socio-economic effects of the programme of privatization and commercialization and decide on appropriate remedies;
- j. Approve the appointment of privatization advisers and consultants and their remuneration;

- k. Appoint as and when necessary committees comprising persons from private and public sectors with requisite technical competence to advise on the privatization or commercialization of specific public enterprises.

Self Assessment Exercise

1. Define privatization.
2. Explain the objectives of privatization.
3. Present three arguments in favour and three arguments against privatization.

3.4. Forms of Privatization

You would recall that there are two types of commercialization. Similarly, there are many forms of privatization. Savas (1989) suggests a number of forms of privatization. This unit discusses a modified version of the Savas (1989) suggestion. Three forms of privatization that are common in Africa are:

- Privatization by divestment
- Privatization by delegation
- Privatization by displacement.

Table 3.1 shows the three forms of privatization.

STRATEGIES (FORMS) OF PRIVATIZATION	MODALITIES
1. Privatization by Sale	Private placement Public sale Management buy-out Employee buy-out Users or customers buy-out
2. Privatization by Donation	Donation to employees Donation to users or customers Donation to the public
3. Privatization by Liquidation	
4. Privatization by Delegation	Delegation by authority

	Delegation by financial
5. Privatization by Displacement	Contract Franchise Grant
	Withdrawal Deregulation

Source: Modified Savas (1989)

Voucher is a piece of paper that allows the holder to a discount or exchange for goods and services.

Privatization by Divestment

Divestment means shedding an enterprise asset. The enterprise or asset is either sold or given away as an ongoing business, or an enterprise may be liquidated (i.e. closed down and the remaining assets sold). In many countries, the term “denationalization” is frequently used to mean divestment (Savas, 1989:345). Privatization by divestment could take the following forms:

1. Privatization by Sale
2. Privatization by Donation
3. Privatization by Liquidation

Privatization by Sale

Privatization by sale can be carried out in five ways, namely:

- (i) Selling the enterprise (or asset) to a single buyer in a negotiated sale. This modality was employed in Ethiopian privatization program;
- (ii) Selling to the public by issuing and selling shares. This approach was used in Great Britain to sell British Telecommunication, Jaguar, Britoil, British Gas, Cable and Wireless, and other state owned enterprises;
- (iii) Selling the enterprise to the managers, called management buy-out;
- (iv) Selling the enterprise to the employees, called employee buy-out;
- (v) Selling the enterprise or asset to its users or its customers. This might be done in areas like state-owned land, rural electricity, water, or transportation enterprise to a cooperative of local users.

Privatization by sale can be made in two ways: complete privatization or partial privatization. In the case of the former, the privatization of the assets or enterprise is total, both in terms of ownership and management. As to the latter, privatization could be carried out in stages, where the government sells only a portion of its holdings at any one time.

Privatization by Donation

In this model, SOEs or assets could be given away, for example, to employees, to users or customers, or the public at large. An instance of giving away an enterprise to the employees took place in the UK when the English Channel hovercraft ferry service formerly owned by British Rail, was given to its management. According to Pirie (1988), this action ended the drain on the public purse; it went from a loss of £3.3 million to a profit of £625,000. Another instance of giving away (donation) state-owned enterprise to the public took place in Canada when the British Columbia Resources Investment Corporation was given away to the public by issuing shares. A somewhat similar action was considered in Israel for Bezique, the state-owned telecommunications monopoly (Savas, 1989).

Privatization by Liquidation

Divestment can be carried out by liquidating a poorly performing enterprise, that is, selling its assets, if no buyer can be found for it as an ongoing enterprise, and if the prospects are bleak for turning it around and achieving profitability.

Privatization by Delegation

The second broad privatization strategy (form) is privatization by delegation, where the government delegates to the private sector part or all of the functions or activities such as management, operation, financing and producing goods or services. But as with any delegation of authority, government retains the responsibility to oversee the result, hence its ongoing role. Contract, franchise, grant, voucher, or mandate carries out delegation.

Delegation by Contract

The responsibilities of operating, financing and managing the public enterprises may be entrusted either to public manager or any private party through different contractual arrangements. The activities to be carried out could be management, operation, regulation, production of goods and services, and financing. Accordingly, we do have the following forms of contractual mechanisms as shown in Table 4.2

Table 3.2 Functions and types of contract

Functions to be Contracted	Type of the Contract
1. Management	1. Management contract
2. Regulation	2. Regulatory contract
3. Operation	3. Lease and concession
4. Production of goods and services	4. Service contract

Source: Sava (1971)

Delegation by Franchise

Franchising is another method of privatization. Under a franchise, government awards a private organisation the right (often the exclusive right) to sell a service or a product to the public. The private firm usually pays the government a fee, usually on annual scheme.

The second form is lease arrangement, in which tangible government-owned property is used by a private renter to engage in a commercial enterprise (Savas, 1989). Leasing involves a private contractor paying the public owner for exclusive right to operate facilities for specified period, and bearing full commercial risks. Under a lease contract, a private firm operates and maintains the State-Owned Enterprise (SOE) as its own commercial risk, with income directly derived from tariffs (Kerf and Smith, 1996). Thus, leasing requires the government to commit to tariffs that cover at least operating and maintenance costs, and give the operator incentives to ensure tariffs are collected and operating costs are minimized.

Delegation by Grant

Awarding grants could also make delegation. In this form of delegation, instead of government itself carrying out an activity, it arranges for a private entity to do the work and provide a subsidy. Customary grants are given for mass transit, low-income housing, maritime shipping, agriculture and research activities.

Delegation by Voucher

Another model of delegation is issuing vouchers to eligible recipients of formerly state-run services. Vouchers are used for food, housing, education, health, daycare, and transportation. Recipients use their vouchers to purchase these services in the marketplace where they have to pay the difference if their purchase exceeds the value of the vouchers they received. If one compares grants with vouchers, grants subsidize producers, whereas vouchers subsidize eligible consumers.

Privatization by Displacement

In addition to delegation and divestment, privatization can proceed by displacement. As opposed to the first two methods we have seen in the foregoing discussion, displacement is somewhat more passive process that leads to government being displaced more or less gradually by the private sector – a withering away of the state.

Displacement by Withdrawal

Government can deliberately pullout or withdraws its activities simply by shutting down a failing enterprise, or it can accommodate private sector expansion into that field. And, it restricts and even shrinks the size and resources of the state-owned enterprises thereby retarding their growth tacitly encouraging the private sector to grow and outpace their public counterparts.

Displacement by Deregulation

This modality is sometimes referred to as de-monopolization. It enables the private sector to enter the sectors previously restricted for public domain or State-Owned Enterprises (SOEs), for example, postal service, telecommunication, agricultural and marketing boards

3.5. Problems of Privatization in Nigeria

Adeyemo (2005) reports some of the problems of privatization in Nigeria. One of this is the uncooperative attitude of some government officials. Obadan (2000) argues that supervising ministries misconceived the programme as a way to reduce their power over the public enterprises. They therefore covertly oppose the policy arrangements. Secondly, the managers and staff of the organizations to be privatized are against the reform as it would undermine their position.

4.0 CONCLUSION

Privatization is a strategy aimed at reducing the draining of government revenue through non-performing public enterprises. The strategy has indeed paved way for more intensively private sector participation in the economy. A case in point is the development of Mobile telephone operators in Nigeria as a result of government's intention to sell the Nigeria International Telecommunications Limited (NITEL). So far, privatization has resulted in available services even though the prices of goods and services have not drastically reduced. For instance, cement is available but the price is higher than before privatization. For privatization to be counted as effective, goods and services should be available at affordable prices.

5.0 SUMMARY

This unit discussed privatization of public enterprises in the Sub Saharan Africa in general and Nigeria in particular. It listed the factors that led to the emergence of privatization; enumerated the modalities for privatization; listed and discussed the different types of privatization as well as explained the problems of privatization in Nigeria.

6.0 TUTOR-MARKED ASSIGNMENT

1. Explain the functions of the Council on Privatization.
2. Describe the modalities for privatization by divestment and privatization by delegation.
3. Discuss the problems of privatization in Nigeria.

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MODULE 4: NIGERIAN PUBLIC SERVICE RULES

UNIT I – APPOINTMENT TO THE PUBLIC SERVICE

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1.0. INTRODUCTION

A major function of the personnel division is to ensure that an organization is staffed with highly qualified and experienced staff. Appointment of employees to the Public Service has certain guidelines that must be adhered to. Any person that is not duly employed can be weeded out at any time the error is discovered. Apart from newly employed staff, rules are also available for probation period, for officers, Conditions for transfers and secondments and acting appointment are also spelt out in this unit. This unit cannot reproduce all the public service rules but concentrates on those rules that are common to public service organizations in Nigeria

2.0. OBJECTIVES

After studying this unit, you should be able to:

- (a) List the authorities responsible for appointment in the Public Service
- (b) Enumerate the rules for appointments on probation and contract
- (c) Differentiate between transfer and secondment
- (d) Explain the rules guiding acting appointment

3.0. MAIN CONTENT

3.1. Authorities for Appointment

Appointments to Public offices in the Federal Civil Service are made on the authority of the Federal Civil Service Commission. These appointments are made either:

- (a) By letter written under the direction of the Federal Civil Service Commission; or
- (b) By formal agreement between the officer and the Federal Government or its appointed agents. Subject to Rules 020205, 020206 and 020207 – Permanent Secretaries/Heads of Extra-Ministerial Offices have power of appointment which has been delegated to them.
 - (i) The Federal Civil Service Commission shall make appointments to posts graded GL.12 -17. Such appointment shall be made as the need arises into the available vacancies after advertisement. Officers intending to transfer their services shall take part in the annual Public Service Examinations for posts GL 07-10.
 - (ii) Subject to modalities to be prescribed by the Federal Civil Service Examinations from time to time, each Ministry/Extra-Ministerial Office shall select from the

pool of successful candidates at the Civil Service Examination prescribed in Rule 020102.

- (iii) There shall be an annual competitive Civil Service Entry Examination for posts graded GL. 07-10 for new entrants and serving Officer wishing to transfer from other schedule services. This examination shall be conducted by the Federal Civil Service Commission in conjunction with the Office of the Head of Civil Service of the Federation, Administrative Staff College of Nigeria and the Public Service Institute of Nigeria.
- (iv) To qualify for this examination candidates must possess an Honours Degree or Higher National Diploma not below upper credit in relevant disciplines as provided for in the Schemes of Service. Final selection shall be made by the line Ministries/Extra-Ministries Offices in line with their requirements.
 - (a) Each Ministries/Extra-Ministries Office shall appoint Junior Staff on GL. 06 and below. This shall be handled by the Junior Staff Committee of each Ministry/ Office, with a representative of the Federal civil Service Commission and the Head of the Civil Service of the Federation at any meeting of the Committee, subject to the approval of the Permanent Secretary/Head of Extra-Ministerial Office.
 - (b) Appointment in the Federal Ministries/Extra-Ministerial Offices in the State shall be from the residents of that state who possesses the qualifications prescribes in the approved Scheme of Service.
 - (c) Each Ministries/Extra-Ministries Office shall work out the actual establishment or requirements for each State Office. The Junior Staff Committee (Local) shall conduct the interview to appoint the officers subject to approval of the Permanent Secretary/Head of Extra-Ministerial offices.
 - (d) Promotions to all posts in the Federal Public Service other than those of Permanent Secretaries are vested in the Federal Civil Service Commission, which, has however, authorized Permanent Secretaries/Head of Extra-Ministerial Offices to promote eligible candidates to posts in respect of which the powers of appointment have been delegated.
 - (e) Seniority in any department shall be determined by the entry date/the assumption of duty certified by an authorized officer as reflected in the appropriate register.
 - (f) Date of birth recorded on appointment by an officer shall not be changed throughout the career of the officer. Any contravention shall be regarded as an act of serious misconduct.

3.2. Recruitment

020201 – “Recruitment” means the filling of vacancies by the appointment of persons not already in the Public Service of the Federal Republic of Nigeria. It, however, excludes the transfer of officers from other Public Service in the Federal Public Service.

020202 – Direct appointment to the Federal Public Service may be in any of the following categories:

- (a) As trainees or pupils;
- (b) On probation in a pensionable post;
- (c) On non-pensionable contract to a non-pensionable post, or against a pensionable post for a specified period; and
- (d) On temporary basis other than (c)
- (e) When posts prove difficult to fill, they shall normally be advertised.

020204 – Except where the Federal Civil Service Commissions decides otherwise, all first appointments to the pensionable establishment in posts other than trainee post (see Rule 020203) will be on probation. An officer confirmed in a lower pensionable office will not however be regarded as on probation in a higher post to which he/she is promoted nor will an officer seconded or transferred as confirmed officer from pensionable service elsewhere.

020205 – To be eligible for appointment into the Federal Public Service, every applicant must:

- (a) Not be less than 18 years and not more than 50 years of ages;
- (b) Posses such minimum qualification as may be specified from time to time including computer literacy;
- (c) Be certified by an authorized Health Care Provider as medically fit for Government Service;
- (d) Possess a testimonial of good conduct from last employer or if not previously employed, form the last school or college attended;
- (e) Possess requisite qualifications as provided for in the Scheme of Service; and
- (f) No officer shall be appointed into the Federal Public Service without authorization for appointment from the Office of the Head of the Civil Service of the Federal and Supervisory Boards in the case of Parastatals.

020206 – No candidates shall be appointed to any post in the Federal Public Service without the prior specific approval of the Federal Civil Service Commission if:

- (i) The candidates has been convicted of a criminal offence; or
- (ii) He/she has previously been employed in Government Service and been dismissed or called upon to resign or retire there from. Such approval must always be obtained irrespective of any delegation of the Commission's power.

020209 – It is the duty of every Permanent Secretary/Head of Extra Ministerial Office to ensure that all officers/staff in his Ministry/Extra – Ministerial Office sign an Oath of Secrecy Form I and that the Oath so signed are carefully preserved.

020210 – No Public Officer shall become a member of any Secret Society. Any Public Officer who is a member of such Society shall renounce his membership forthwith by making a Statutory Declaration to that effect, or resign his appointment, or retire from the service.

020211 – Contravention of Rule 020210 shall be regarded as an act of serious misconduct and shall attract appropriate disciplinary action which may include dismissal from service.

Self-Assessment Exercise

1. List the Authorities for appointment in the Federal Public Service.
2. Which organ is responsible for the promotion to all posts in the Federal Public Service except those of Permanent Secretaries?
3. What is the current rule about date of birth?

3.3. Rules for Appointment on Probation and Contract

020301 – Officers on probation will be required to serve for two years before being confirmed in the service. This period may however be reduced to not less than six months by deduction of any previous period of Public Service rendered satisfactorily in posts of cognate status involving similar duties. The period of probation shall not exceed two years unless an extension may result in the increment penalty referred to in Rule 040206, if the Commission so decides.

0202303 – To be eligible for confirmation in the Permanent Establishment, an officer appointed on probation is required to pass the prescribed examination, if any, during his probationary period and to complete his probationary period to the satisfaction of the authority empowered to appoint him. At the end of the period of probation the officer will, unless his probationary appointment is terminated or extended, be confirmed in his appointment.

Rules for appointment on contract

020401 – A contract appointment is a temporary appointment (which does not provide for the payment of a pension) to a post of the level to which appointment is made by the Federal Civil Service Commission for a specific period as opposed to appointment on pensionable terms and

temporary employment. The contract appointment must be recorded in a formal document of agreement.

020402 – (a) The Conditions of Service of a Contract Officer are those provided for his/her contract and the privileges, emoluments or allowances described in these Rules do not apply to him/her unless they are specifically so stated in the contract itself. Any question of the interpretation of a contract affecting his/her Conditions of Service should be referred to the Office of the Head of the Civil Service of the Federal.

(b) (i) Contract appointments may be offered to expatriates only when suitable Nigerians are not available. Nigerians may be appointed on contract terms if:

- (a) They are pensioners;
- (b) They are 50 years of age or over at the time they are being appointed;
- (c) They specifically request to be employed on contract terms and it is
- (d) The candidate possesses specialized and competencies or skills and provided such posts are duly advertised in at least three national newspapers.

(ii) For non-Nigerians, the provisions of the Public Service Rules regarding appointments shall apply in all cases, except for those persons married to Nigerians.

(iii) Spouses married to Nigerians should remain on contract until granted Nigerian citizenship before being considered for appointment

3.4. Transfer and Secondments

020501 –Transfer is the permanent release of an officer from one scheduled service to another or from one class to another within the same service.

Secondment means the temporary release of an officer to the service of another Government, approved body or any recognised International Organisation or body for a specified period.

020502 – Inter-Service Transfer/Secondment: The following procedures shall apply in processing Inter-Service Transfer and Secondment:

- (i) Applications for Transfer/Secondment to posts graded GL 06 and below shall be determined by the Ministry/Extra-Ministerial Office of the applicant's choice.
- (ii) That applicant for Transfer/Secondment to posts graded GL 07 – 10 in any Ministry/Extra-Ministerial Office shall be determined by the Federal civil Service Commission. Since GL 07 – 10 is an entry point, Officers seeking transfer from scheduled establishments are required to sit for the Annual Competitive Civil Service Entry Examination.

- (iii) Confidential reports covering the last three years (or whole service if less than three years) of the officer's service shall be furnished.
- (iv) Secondment of an officer to the service of another Government, or Approved Body or recognised International Organisation at his own request shall be for a maximum period of two years in the first instance after which the officer must apply for extension, seek for transfer or return to his former post. All extensions must be approved by the appropriate Committees and the Federal civil Service commission. The total period of such secondment must not exceed four (4) years.

020503 – (a) Senior Posts – Transfers from one senior post to another or from one class to another within the Federal Public Service require the prior approval of the Federal Civil Service Commission. An officer must have served for a minimum period of 6 months in his original Department before seeking transfer to another Department. An application for such transfer must be submitted to the Permanent Secretary/Head of Extra-Ministerial Office of the applicant and must state the applications reasons for desiring a transfer and his qualifications for the work to be undertaken. Such applications should be forwarded to the Federal Civil Service Commission by the Permanent Secretary/Head of Extra-Ministerial Office together with a statement as to:

- (i) How the applicant has performed his/her duties;
- (ii) Whether the applicant is considered to be well qualified for the post desired; and
- (iii) Recommendations as to the grant or refusal of the application.

(b) **Junior Posts** – Transfers from one junior post to another within the Federal Public Service or from one Department to another may be arranged, with the consent of the officers being considered for transfer, at the mutual discretion of their Permanent Secretaries/Head of Extra-Ministerial Offices.

3.5. Acting Appointment

When it is necessary that a particular duty post (of status not lower than Senior Clerical officer) should continue to be filled at a time when no officer of corresponding substantive rank is available for posting thereto, some other officers may, with the approval of the Federal civil Service Commission, be formally appointed, by notice in the gazette, to act in the duty post and assume either fully or in part, the duties and responsibilities thereof.

The mere fact that the substantive holder of a duty post will be absent therefore for a short period (e.g. on casual leave or on sick leave) does not in itself justify an acting appointment; there may however be circumstances, (such as compliance with statutory provisions) which necessitate the making of an acting appointment for a relatively brief period. The decision whether an acting appointment is necessary or desirable in any particular case will rest with the Federal Civil Service Commission.

Acting Appointments are not intended as a means of testing the suitability of officers for promotion; they will normally be made only in order to fill posts that are temporarily vacant and their duration should be limited accordingly.

Recommendations for Acting Appointments must be forwarded to the Federal Civil Service Commission on general form 66 and must include thereon a certificate to the effect that the Acting Officer will assume the full duties and responsibilities of the post in question. Approved acting appointment will be gazetted by the Federal Civil Service Commission but it will on no account be back-dated to a period in excess of six months of the date of receipt of the recommendation by the commission.

4.0. CONCLUSION

A Public Servant must be conversant with the rules guiding his/her employment in the Public Sector Organisation he/she works in. Such knowledge enables the officer to know what to expect and how to conduct himself/herself appropriately. Apart from personal advantage, a Public Officer should be able to explain Public Services Rules guiding, appointments, transfers and secondments to all who desire such information.

5.0. SUMMARY

This unit explains Public Service rules on authorities for appointment, recruitment, probation, contract, transfers, secondments and acting appointments. The Federal Civil Service is responsible for appointments. This power of the Federal Civil Service is often delegated to Permanent Secretaries and Heads of Extra-Ministerial Offices. The term recruitment in the Nigerian Public Service means filling of vacancies by the appointment of persons not already in the Public Service. A person is on probation until his/her appointment is confirmed. Public servants can be transferred or seconded to another organisation, public or private employee on a lower scale can act in a higher capacity.

6.0. TUTOR MARKED ASSIGNMENT

1. Explain five conditions guiding eligibility for appointment in the Nigerian Federal Public Service.
2. What are the terms guiding contract appointments in the Nigerian Federal Public Service?
3. What are the rules guiding secondment of officers?

7.0. REFERENCES/ FURTHER READINGS

Federal Republic of Nigeria (2009). *Public Service Rules*. Abuja: Office of the Head of Civil Service of the Federation.

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MODULE 4

UNIT 2 LEAVE, PROMOTION AND LEAVING THE SERVICE

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1.0. INTRODUCTION

You should know from experience that a motivated employee performs better than an unmotivated one. This proves that job performance is a function of motivation. It is also unhealthy for a public employee to work for 365 days in a year without leave. Don't be surprised with the 365 days because Public Servants are expected to be on duty for 24 hours in a day. The implication of this is that if an employee's attention is required for an urgent assignment on a work free day he/she is expected to oblige in national interest. It is also expected that employees will at one time or the other want to disengage their services from their MDAs. Hence the Government has provided rules guiding such cases. This unit is on promotion, leave and leaving the service.

2.0. OBJECTIVES

After studying this unit, you should be able to:

- (a) Explain when an officer can apply for promotion.
- (b) List the types of leave in the Nigeria Public Service.
- (c) Enumerate the conditions for disengaging from the Public Service.

3.0. MAIN CONTENT

3.1. PROMOTION

020701 –Expect where powers of appointment or promotion have been delegated, no promotion shall become effective until they have been approved by the Federal Civil Service Commission.

All officers who fall within the field of selection for any promotion exercise shall be considered except those who are under disciplinary action. The minimum number of years that an officer must spend in a post before being considered eligible for promotion shall be as follows:

Grade Level of Staff	Number of years in Post
06 and below	Minimum of 2 years
07 -14	Minimum of 3 years
15-17	Minimum of 4 years

(c) The responsibility for the promotion of officers shall be as follows:

- (i) GL 06 and below – by the Ministry/Extra-Ministerial Office.
- (ii) GL 07 – 14 – by the Ministry/Extra-Ministry Office or the relevant Staff pool subject to confirmation by federal civil Service Commission.
- (iii) GL 15 -17 – by the Federal Civil Service commission on recommendation from Ministry/Extra-Ministerial Office or the relevant pool routed through the Head of the Civil Service.

- (d) All promotions are subject to satisfying minimum requirements declared by Federal Civil Service Commission and availability of vacancies.

There shall be structured and sustained training for career progression in the service including continuous professional training and development. The effective date of all promotions shall be 1st January of the year for which the promotion exercise was conducted or as may be determined by the Federal Civil Service Committee. Officers on approved Leave of Absence, Secondment, approved Leave with Pay, Special Assignment, etc., shall not be granted notional promotion. Such officers shall sit for promotion interviews/examinations at designated centres nearest to them.

An Officer who has passed the compulsory examination for confirmation in the service shall be eligible for promotion notwithstanding the fact that he has not completed the probationary period specified in Rule 020301.

Under normal circumstances, no Contract Officer will be considered for promotion except where there is no suitable pensionable officer available or where he possesses an exceptional qualification and suitable experience. He could, however, be considered for an enhanced appointment during the renegotiation of his contract.

Self Assessment Exercise

1. What are the minimum number of years that an officer must spend before moving from:
 - 1.1. GL 01 - 06
 - 1.2. GL 07 - 14
 - 1.3. GL 15 - 17

2. Which organ of Government is responsible for the promotion of officer from:
 - 1.1. GL 06 and Below
 - 1.2. GL 07 - 14
 - 1.3. GL 15 - 17

3.2. Leave

The Federal Public Service Rules (Federal Republic of Nigeria 2009) has 16 types of Leave. These are:

1. Annual Leave
2. Proportionate or Pro-rata Leave
3. Deferred Leave
4. Casual Leave
5. Sick Leave
6. Maternity Leave
7. Examination Leave

8. Sabbatical Leave
9. Study Leave With Pay
10. Study Leave Without Pay
11. Leave on Compassionate ground
12. Pre-Retirement Leave
13. Leave of Absence
14. Leave on Grounds of Urgent Private Affair
15. Leave for Cultural and Sporting Activities
16. Leave to take part in Trade Union Activities

Annual leave is the absence of an Officer from duty for a period specified in Rule 100203 as may be authorised by a Superior Officer.

Annual leave shall be granted to an Officer in accordance with his grade level as follows:

- (a) GL 07 and above - 30 calendar days
- (b) GL 04 -06 - 21 calendar days
- (c) GL 03 and Below - 14 calendar days

An Officer shall qualified for Annual Leave not less than six months after the previous leave within a leave earning service year.

Leave will be granted at any time during the leave year. Normally, the full leave will be taken at one time but it may be taken in not more than two instalments, any leave not taken within the calendar year concerned will be forfeited. No Officer is allowed to accumulate leave. An Officer who desires to spend his/her Annual Leave abroad shall inform the Permanent Secretary/Head of Extra-Ministerial Office before proceeding on vacation and shall provide details of his/her address. An Officer spending his/her leave within or outside Nigeria must furnish the Permanent Secretary/Head of Extra-Ministerial Office with his/her intended destination or leave address before proceeding on leave.

100208 – An Officer is required to resume duty after vacation on the date following the expiration of his/her authorised leave.

100209 – An Officer may be required to return to duty before the expiration of his/her authorised leave by the Permanent Secretary/Head of Extra-Ministerial Office. Any portion of his/her leave so curtailed shall be taken immediately and not later than ninety (90) days of completion of the assignment.

100211 – “Proportionate Leave” (Pro-rata) is a vacation granted to a new or retiring officer in proportion to the number of days he/she has put into the service. Any period of service under 30 days is not reckonable.

- (a) Deferred Leave is that which an officer is granted in exceptional circumstance by the Permanent Secretary or Head of Extra-Ministerial Office to carry forward to the next

leave year because of exigency of duty. It could be part of Annual Leave not fully exhausted or any Leave approved for deferment.

- (b) Authorised Deferred Leave may be commuted to cash only where an officer has been made to retire prematurely and cannot spend all his/her deferred leave his/her retirement.
- (c) Casual Leave is the absence of an Officer from duty for a short period not exceeding an aggregate of 5 working days within a leave year as may be authorised by a Superior Officer. The casual Leave shall only be granted after an Officer has exhausted his/her Annual Leave. Casual Leave is deductible in advance or arrears of earned leave.

A maximum of seven days casual Leave shall be granted in any leave year. Casual Leave in excess of seven days in any leave year may be granted only by the Permanent Secretary/Head of Extra-Ministerial Office.

- (d) Sick Leave is the absence of an Officer from duty on account of ill-health as authorised by a Healthcare Provider.
- (e) Maternity Leave is the authorised absence from duty of a Serving Female Officer granted by a Superior Officer on account of pregnancy covering the pre-natal and post-natal periods.

100218 – A female staff that is pregnant is entitled to 16 weeks Maternity Leave at a stretch beginning not less than 4 weeks from the expected date of confinement must be presented not less than two months before that date. The Annual Leave for that year will, however, be regarded as part of the Maternity Leave. Where this Annual Leave has already been enjoyed before the grant of Maternity Leave that part of the maternity Leave equivalent to the Annual Leave will be without pay

Any female officer who is nursing a child shall be granted two hours off-duty every day. This facility shall be granted up to a maximum period of six months from the date she resumes duty from Maternity Leave.

- (f) An Officer may be granted Special Leave for the purpose of taking an examination, which he/she is required for current appointment, provided that his/her Permanent Secretary/Head of Extra-Ministerial office certifies the following:
 - (a) That the passing of the examination is likely to enhance his/her value to the Service;
 - (b) Evidence of admission for the course;
 - (c) Evidence of a time-table for the examination.
- (g) Sabbatical Leave is the absence of an Officer on GL 15 or equivalent and above from duty, for the purpose of resached either within or outside Nigeria. The Officer on Sabbatical Leave shall be qualified to undertake properly organised study in areas relevant to the interest of the Service or National development for a period of twelve months once in five years.

- (h) Study Leave is the leave granted to a Confirmed Serving Officer to undertake an approved course of study within or outside the Country. Study Leave With Pay shall be granted to an Officer with normal emolument and allowances. The duration of Study leave With Pay shall not exceed two years. If, however, an Officer has a carry-over, the period of extension shall not be more than one year. The period of extension shall also attract pension, right or emoluments and allowances.
- (i) Officers are granted Study Leave Without Pay where the proposed courses of study are not contained in the approved training proposals for their Ministries/Extra-Ministerial Office.
- (j) Officers going on religious pilgrimages other than Officials assigned to cover such activities should use part of their Annual Leave for such purposes.
- (k) An Officer may be allowed Special Leave from duty on full pay on Compassionate Ground for a period up to two weeks for burial of spouse/child/parents of spouse.
- (l) Leave of Absence is absence of an Officer from duty authorised on grounds of Public Policy. All such leave shall be approved by the Head of Civil Service of the Federation, on the recommendation of the Permanent Secretary or Head of Ministerial office.

An Officer who is also a public Servant shall be permitted to join his/her spouse proceeding abroad on a course of instruction. The Officer is eligible for free passage at Government expense where the course of instruction is not less than nine (9) months.

- (m) Officers are required to give three months notice to retire from service before the effective date of retirement. At the commencement of three months, officers should proceed immediately on the mandatory one-months pre-retirement workshop/seminar, for the remaining two months, retiring Officers are expected to take necessary measures to put their records straight so as to facilitate the speedy processing of their retirement benefits.
- (n) When a Medical Board recommends that an Officer is medically unfit to continue in Service and for that reason be disengaged, he/she will forthwith commence vacation leave prior to retirement. The length of leave granted will be either:
 - (a) His/her Deffered leave, if any, plus the proportion of his/her Annual Leave calculated in accordance with Rule 100211; or
 - (b) Two months.

Whichever is of greater length, the leave will commence on the day on which the Medical Board declares him/her unfit to continue in Service and retirement will take effect from its expiration.

Officers who are dismissed shall not be entitled to any form of leave.

Annual Vacation leave shall be based on Calender Days only.

100243 – The period of any leave such as Casual Leave, Sick leave, Maternity Leave etc. Granted under these rules shall be inclusive of Saturdays, Sundays and Public Hilidays occuring therein.

3.3. Leaving the Service

If within his probationary period it is established to the satisfaction of the authority empowered to appoint an Officer that he is not qualified for efficient service, his appointment may be terminated by that authority at any time without any further compensation than free transport to the place from which he was engaged and such free transport will be granted only if his conduct has been good. Provided the termination is not due to misconduct on the Officer's part, it will be effected by means of a month's notice and, subject to the same proviso, if the Officer is eligible for Vacation Leave in respect of his/her service to date, such leave may be granted together with (if the Officer so desires) normal vacation leave transport grant in lieu of the free transport mentioned above. Such leave, if any, shall expire on the same day as the notice. The position regarding the refund of the cost of any training given the Officer is governed by the bond relating to such training.

If an Officer relinquishes his/her appointment within the period of his/her probationary service he may be required to refund any expenditure by government in transporting him, his/her family, servant and baggage to and from the place at which he/she has been employed and he/she will not be eligible for any facilities from Government towards transport from the station at which he/she is then serving. The position regarding the refund of the cost of any training given the Officer is governed by the bond relating to such training.

The appointment of an Officer on probation who fails to secure confirmation in the pensionable establishment at the expiration of his/her probationary period, including such extension therefore as prescribed under Rule 020301, may be terminated in the manner specified in Rule 020801.

- (a) An officer who resigns will be liable to :
 - (i) Forfeit all claims to vacation leave; any vacation or passage priviledges granted will be ex-gratia;
 - (ii) Refund to the Government in full any sum of money which he/she may be owing to Government or which, under the provisions of other Rules or agreements entered into with Government, is refundable to Government for his/her not discharging the obligations set out in such agreement, provided that any or all of such refunds may be waived at the discretion of the Government.

- (b) By virtue of the provisions of Regulation 15 of the Pension Reform Act 2004, all previous pensionable service is forfeited on resignation and cannot be taken into account for pension purposes if the officer is subsequently re-employed except where, under

certain circumstances, such a break in service has been condoned by the Office of Establishments and Pension.

An Officer who leaves the service other than by resignation or dismissal will be eligible for proportionate leave in accordance with rule 100211. If he/she has enjoyed more leave during the leave year than he/she is eligible to receive under that Rule, he/she will be required to refund salary at the rate at which it was paid for the number of working days' leave enjoyed in excess of what he/she was eligible to receive, the days in respect of which salary is refunded being treated as Leave Without Pay for pension purposes. This provision will be waived in the case of an Officer who dies in the Service.

- (i) Officers who fail promotion examination on three (3) consecutive attempts on the same grade and whose on-the-job performance has been assessed to be below average shall be required to leave the Service.
- (ii) An Officer whose Service is no longer required in the event of abolition of office, re-organisation of the Office or redundancy shall be required to leave the Service.
- (iii) All pensionable Officers shall participate in the Contributory Pension Scheme as provided for in the Pension Reform Act, 2004.
- (iv) In order to ensure that Officers receive their retirement benefits promptly, Department Pension Officers are required to forward the up-to-date record of Service of these Officers accompanied with the Under-listed documents:
 - (a) Pension Form Gen. 62 (in duplicate) with two recent colour passport photographs;
 - (b) Birth Certificate or Sworn Declaration of Age;
 - (c) Record of Service
 - (d) Acceptance of Retirement Letter;
 - (e) Letter of Appointment or Gazette Publication of first Appointment;
 - (f) Letter of Confirmation of Appointment or Gazette Publication;
 - (g) Clearance Certificate Signed by the Director of Administration/Personnel Management;
 - (h) Evidence of last Promotion;
 - (i) Current Personnel Emolument Card/Last Pay Certificate;
 - (j) Evidence of Transfer of Service (where applicable);
 - (k) Evidence of Condonation and Merger of Service (where applicable);
 - (l) Carbon Copy of Audited Computation Sheet of Terminal Benefits;
 - (m) Signed Payment Voucher for receipt of Gratuity (if applicable); and
 - (n) Stamped Death Certificate (for deceased Officers).

Forwarding of Departmental Files and other documents not expressly mentioned in Rule 020808 shall no longer be a condition for processing of retirements benefits.

- (i) The compulsory retirement age for all grades in the Service shall be 60 years or 35 years of pensionable service whichever is earlier.

- (ii) No Officer shall be allowed to remain in Service after attaining the retirement age of 60 years or 35 years of pensionable service whichever is earlier.
 - (iii) The provision of (i) and (ii) of the Rule is without prejudice to prevailing requirements for Judicial Officers and Academic Staff of Universities who retire at 70 and 65 years respectively.
 - (iv) Provided the Officer would not have attained the retirement age of 60 years or spent 35 years of pensionable service, whichever is earlier;
- (a) A Director shall compulsorily retire upon serving eight years on the post; and
 - (b) A Permanent Secretary shall hold Office for a term of four years and renewable for a further term of four years, subject to satisfactory performance, and no more.

4.0. CONCLUSION

All Public Servants must be conversant with Rules and Regulations Guiding Promotion, Leave and Leaving the Service. A number of Officers have overstayed their leave without prior approval from their MDAs. This is an offence. Promotion in the Public Service is a privilege as such Public Servants should perform their duties diligently while waiting for their promotion. Leaving the Service without approval of the Chief Executive Officer of the organisation may lead to forfeiting of entitlements.

5.0. SUMMARY

This unit has provided detailed information on Public Service Rules Guiding Promotion, Leave and Leaving the Service. The Promotion Rules state the mandatory period between two promotions. Annual Leave period is common to all Public Service Organisations. For officers on GL. 07 and above or equivalent the Annual Leave is for 30 calendar days. For GL. 04 – 06 or equivalent the Annual Leave is for 21 calendar days, while for GL. 03 and below, the Annual Leave is for 14 calendar days. Public Officer can leave the Service voluntarily any time or statutorily at the age of 60, 65 or 70 years as applicable, depending on the institution.

6.0. TUTOR MARKED ASSIGNMENT

1. Explain the conditions for promotion in the Nigerian Public Service.
2. Under what conditions can an Officer disengage his/her Service from the Nigeria Public Service.
3. List and explain 10 types of Leave.

5.0 REFERENCES/ FURTHER READINGS.

Federal Republic of Nigeria (2009). *Public service rules*. Abuja. Office of the Head of Civil Service of the Federation.

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MODULE 4

UNIT 3 DISCIPLINE

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1.0. INTRODUCTION

One of the functions of a manager in any organization is to maintain discipline. The aim is to keep employees in check so that organizational objectives can be achieved. Human beings often err whether in the society at large or in an organization. Punishments for erring officers are imbedded in the Public Service Rules. It is therefore the duty of every officer to acquaint himself/herself with the disciplinary rules and any other regulations of the Public Service. This unit discusses offences considered as general inefficiency, misconduct and serious misconduct.

2.0. OBJECTIVES

After studying this unit, you should be able to:

- (a) Enumerate behavior that constitute general inefficiency
- (b) List acts of misconduct in the Public Service
- (c) Explain acts of serious misconduct

3.0. MAIN CONTENT

3.1. GENERAL INEFFICIENCY

General Inefficiency consists of a series of omissions or incompetence the cumulative effect of which shows that the Officer is not capable of discharging efficiently the duties of the office he holds.

It shall be the duty of every Superior Officer, as soon as he observes any fault or shortcoming in the work of an officer subordinate to him/her, to bring it to the Officer's notice and to record that he has been done, with a view to improving the Officer's usefulness and efficiency in the Service. Before the proceeding for the removal of an Officer for General Inefficiency may be commenced, he/she must have been warned on three occasions in writing.

No female Public Servant shall be required to resign her appointment or retire by reason of pregnancy alone, but if her condition interferes with the efficient performance of her duties, she may at the discretion of Management be given lighter duties.

Permanent Secretaries/Head of Extra-Ministerial Offices are authorized, subject to the provisions of the Labour Act (Cap. 198) and of individual letters of consideration for appointment (Form Gen. 69 and Gen. 69A), to terminate the employment of temporary staff at their discretion. However, prior to the termination of appointment, such staff should be informed of the grounds on which the termination of his/her appointment are based. He/She should be given an opportunity to submit representations on why he or she should not be terminated. Similarly, prior

to the termination of the Officer's service for inefficiency, such staff shall be warned of his/her shortcomings and given opportunity to improve or to offer a satisfactory explanation of his/her failure to perform his duties efficiently.

In all cases of termination for inefficiency, notice of termination shall be given. The period of notice shall be one calendar month unless other period is appropriate in the light of a particular officer's service. If it is decided that the officer shall leave the service early, he/she shall be paid emolument equivalent to the period of the notice. The period of notice shall include any leave to which the Officer is entitled if the leave is longer than the period of notice, the officer shall be sent on leave and the period of notice absorbed by the leave.

3.2. Misconduct

Misconduct is defined as a specific act of wrongdoing or any behaviour which is inimical to the image of the Service and which can be investigated and proved. It can also lead to termination and it includes:

Scandalous conduct such as

- (i) Immoral Behaviour;
- (ii) Unruly Behaviour;
- (iii) Drunkenness;
- (iv) Foul Language;
- (v) Assault;
- (vi) Battery;
- (vii) Refusal to proceed or transfer or to accept posting;
- (viii) Habitual lateness to work;
- (ix) Deliberate delay in treating official document;
- (x) Failure to keep records;
- (xi) Unauthorized removal of public records;
- (xii) Dishonesty;
- (xiii) Negligency
- (xiv) Membership of cults
- (xv) Sleeping on duty
- (xvi) Improper dressing while on duty
- (xvii) Selling merchandise within office premises
- (xviii) Refusal to take/carry out lawful instruction from superior officers
- (xix) Linger
- (xx) Insurbordination
- (xxi) Discourteous behavior to the public

030302 – As soon as a Superior Officer becomes dissatisfied with the behavior of any Officer subordinating to him/her, it shall be his/her duty to so inform the officer in writing giving details of unsatisfactory behavior. In addition the superior officer is to call upon him/her to submit within a specific time such written representation as he/she may wish to make to exculpate himself/herself from disciplinary action. After considering such written representations as the officer may make within the specified time the Superior officer shall decide whether:

- (a) The Officer has exculpated himself/herself in which case, he/she shall be so informed in writing and so further action shall be necessary or
- (b) The Officer has not exculpated himself/herself but it is considered that he/she should not be punished in which case the appropriate formal letter of advice shall be issued to him/her and he/she shall be required to acknowledge its receipt in writing or
- (c) The Officer who has not exculpated himself/herself and deserves some punishment.

030303 – Where a Tribunal of Inquiry set up by the Government makes recommendations of a disciplinary nature on an Officer, the Federal Civil Service Commission shall not act on such recommendations until it has called upon the affected Officer to reply to the allegations made against him/her by the Tribunal of Inquiry. If the Officer refuses or neglects to reply to the allegations within a reasonable time or at all, the Federal Civil Service Commission or its agent shall proceed to accept and enforce the recommendations of the Tribunal of Inquiry and take such disciplinary action against the Officer as it shall deem appropriate.

030306 – Any disciplinary proceedings against a female staff, which might otherwise have been taken during the period of her maternity leave, shall be postponed until the leave has expired. Such postponement, however, shall not in anyway prejudice the proceedings against her.

030307 – Unless the method of dismissal is otherwise provided for in these Rules, an Officer in the Federal Public Service may be dismissed by the Federal Civil Service Commission only in accordance with this Rule.

- (i) The Officer shall be notified in writing on the grounds on which it is proposed to discipline him/her. The query should be precise and to the point. It must relate the circumstances of the offence, the Rule and Regulation which the Officer has broken and the likely penalty. In serious access to any such document(s) or report(s) used against him/her and he/she should be asked to state in his/her defence that he/she has been given access to documents. The Officer shall be called upon to state in writing, within the period specified in the query any grounds upon which he/she relies to exculpate himself/herself;
- (ii) If the Officer submits his/her representations and the Federal Civil Service Commission is not satisfied that he/she has exculpate himself/herself, and considers that the Officer should be dismissed, it shall take such action accordingly. Should the officer however fail to furnish any representations within the time fixed, the Commission may take such action against the Officer as it deems appropriate;
- (iii) If upon considering the Report of the Board together with the evidence and all material documents relating to the case, the Commission is of the opinion that the Officer should be dismissed, such action shall immediately be taken;
- (iv) If the Commission does not approve the Officer's dismissal and does not consider that any penalty should be imposed, the Officer shall be reinstated forthwith and be entitled to the full amount of salary denied him/her if he/she was interdicted or suspended.
- (v) If upon considering the report of the Board the Commission is of the opinion that the Officer does not deserve to be dismissed but that the proceedings disclosed grounds

- for requiring him/her to retire, the Commission shall, without further proceedings, direct accordingly; and
- (vi) All disciplinary procedures must commence and be completed within a period of 60 days except where it involves criminal cases.

No Officer may render professional assistance to Institutions or Government Agencies during working hours or accept remuneration for it, except with the written permission of the Permanent Secretary/Head of Extra-Ministerial Office which could be granted if it is in the public interests to do so. The amount of the remuneration must be paid into the Treasury on deposit until the orders of Government as to the share, if any, which may be received by the Officer is known. No fine shall be imposed on any Officer as a punishment for an offence committed in the course of his/her duties.

- (a) If at any time the public revenue sustains a loss by reason of the neglect or fault of an Officer, he/she will be liable to be surcharged with the amount any sums due to him/her from Government may be withheld in satisfaction of such surcharge.
- (b) Officers defined as workers in section 2 of the Labour Act (Cap 198) may be surcharged if the circumstances warrant such action, but all papers relevant to the case must be submitted in accordance with the Act, to the warrant of the Federal Ministry of Labour and Productivity for approval of the surcharge.

An Officer shall not lend money at interest, whether on mortgage or otherwise, or guarantee or stand as surety for money lent on interest, to any other person. Nothing in this rule shall be deemed to prevent members of registered co-operative Society or approved benefits Societies from standing as sureties for loans made by the societies, or shall it be deemed to prevent any officer from placing money in a deposit account in any bank or standing surety for money lent by Government to another officer. Officers are prohibited from hawking merchandise or engaging in any other form of trading on office premises during working hours. No officer shall appear in the office or anywhere in his official capacity dressed in a manner considered inappropriate or immodest.

In order to prevent the irregular use by non-officials of letters of recommendations or certificates of character, Officers are prohibited from giving, in their official capacities, letters or certificates whether on official stationery or otherwise.

SELF ASSESSMENT EXERCISE

1. Define general inefficiency.
2. What is the punishment for general inefficiency?
3. Define misconduct.

3.3. Serious Misconduct

- 3.3.1. Definition:** Serious Misconduct is a specific act of very serious wrongdoing and improper behaviour which is inimical to the image of the service and which can be investigated and if proven, may lead to dismissal.

3.3.2. Serious Acts of Misconduct

Serious acts of misconduct include:

- (a) Falsification of records;
- (b) Suppression of records;
- (c) Withholding of files;
- (d) Conviction on a criminal charge (other than a minor traffic or sanitary offence or the like);
- (e) Absence from duty without leave;
- (f) False claims against Government Officials;
- (g) Engaging in partisan political activities;
- (h) Bankruptcy/serious financial embarrassment;
- (i) Unauthorised disclosure of official information;
- (j) Bribery;
- (k) Corruption;
- (l) Embezzlement;
- (m) Misappropriation;
- (n) Violation of Oath of Secrecy;
- (o) Action prejudicial to the security of the State;
- (p) Advance fee fraud (Criminal Code 419);
- (q) Holding more than one full-time paid job;
- (r) Nepotism or any other form of preferential treatment;
- (s) Divided loyalty;
- (t) Sabotage;
- (u) Wilful damage to public property;
- (v) Sexual Harassment; and
- (w) Any other act unbecoming of a Public Officer.

Disciplinary Procedure for serious misconduct

Disciplinary procedure for serious misconduct shall be in accordance with Rules 030302 to 030306. (Federal Republic of Nigeria 2008).

- (i) When a serious case that may lead to dismissal has been instituted against an Officer, the Permanent Secretary/Head of Extra-Ministerial Office may interdict him/her on not more than half pay pending the determination of the case.
- (ii) Recommendations to the Commission for interdiction shall be made only if it is against the public interest that the officer should continue to perform any of the duties of his/her rank. When the charge against him/her is such that the continued performance of his/her present duties is against the public interest or prejudicial to the investigation of the charge against him/her, consideration shall be given to putting him/her on alternative duties. Interdiction shall only be resorted to when this is not possible.

- (iii) When an officer is interdicted, he/she shall cease to report for duty. In the letter informing the officer of his/her interdiction it shall be indicated that the proportion of emoluments he/she is to receive while on interdiction shall be 50% of his emoluments.
- (iv) If proceedings under Rule 030404 (i) reveal that he/she is not guilty of the charge made against him/her, the Officer shall immediately be reinstated and shall receive the full amount of his/her emoluments denied him/her while he/she was interdicted.
- (v) If the Officer is found guilty but is not dismissed, he/she may be refunded such portion of the emoluments denied him/her as the Commission may determine.
 - (a) An Officer who is under interdiction or suspension shall notify his/her Permanent Secretary/Head of Extra-Ministerial Office of his/her intention to leave his/her station. He/she shall however not leave the country without the specific approval of the Head of the Civil Service of the Federal.
 - (b) An Officer under interdiction is also responsible for keeping his/her Ministry/Extra-Ministerial Office informed of the address at which instructions to him/her can be delivered.

030410 – If an Officer is convicted on a criminal charge, the Commission shall consider the proceedings of the Court and if it is of the opinion that the Officer should be dismissed or subjected to some lesser penalty on account of the offence for which he/she has been convicted, the Officer may thereupon be dismissed or otherwise punished without any of the procedures prescribed in Rule 030306 being followed.

030413 – Any Officer who absents himself/herself from duty or travels out from Nigeria without leave renders himself/herself liable to be dismissed from the service and the onus shall rest on him/her, to show that the circumstances do not justify the imposition of the full penalty.

030414 –For the purpose of these rules, the expression “serious financial embarrassment” means the state of an Officer’s indebtedness which having regard to the amount of debts incurred by him/her, has actually caused serious financial hardship to him/her, and, without prejudice to the general meaning of the said expression, an officer shall be deemed to be in serious financial embarrassment.

4.0. CONCLUSION

Public Servants are expected to exhibit disciplined behaviour at all times. With the series of acts of inefficiency, misconduct and punishable offences, the Public Servant is expected to be alive to his duties. Even though the disciplinary procedure is long, it is to protect the employee and his/her organisation from unnecessary litigation.

5.0. SUMMARY

This unit discusses three major acts of indiscipline, which are general inefficiency, misconduct and serious misconduct. General inefficiency consists of a series of omissions or incompetence which shows that the Officer is not capable of discharging efficiently the duties of

the office he holds. Misconduct is defined as the specific act of wrong doing or any behaviour which is inimical to the image of the service which can be investigated and proved. Examples are immoral behaviour, drunkenness, assault and foul language. Serious misconduct is a specific act of very serious wrongdoing and improper behaviour which can be investigated and if proven may lead to dismissal. Examples are: Falsification of records, suppression of records, bribery and corruption.

6.0. TUTOR MARKED ASSIGNMENT

1. List 10 acts of misconduct in the Public Service.
2. What acts constitute serious misconduct?
3. What is the difference in the punishment for misconduct and that of serious misconduct?
4. Under what situation does interdiction apply?

7.0. REFERENCES AND FURTHER READINGS

Federal Republic of Nigeria (2009). *Public service rules*. Abuja. Office of the Head of Civil Service of the Federation.

Federal republic of Nigeria (2004). *Guidelines for appointments, promotion and discipline*. The Federal civil service commission.

Federal Republic of Nigeria (2000). *1999 Constitution of the Federal Republic of Nigeria*. Abuja. Federal Republic of Nigeria

MODULE 4

UNIT 4 SALARIES, ALLOWANCES AND STAFF WELFARE

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1.0. INTRODUCTION

Any contract of employment is based on give and take. Employees are expected to bring to an organization their knowledge, skills, attitude, aptitude and goodwill, while the organization gives them salaries, allowances and fringe benefits for the utilization of these resources. While salaries and other emoluments package change from time to time, the operational principles remain the same. This unit is on the principles/rules guiding salaries and allowances as well as staff welfare in the Nigerian Public Service.

2.0. OBJECTIVES

After studying this unit, you should be able to:

- (a) Enumerate allowances that Public Officers are entitled to;
- (b) Explain medical facilities available to Public Officers in relation to the New Health Care Scheme; and
- (c) List the sick leave rules.

3.0 MAIN CONTENT

3.1 SALARIES AND ALLOWANCES

3.1.1 Salaries

Salaries are the compensation paid by an employer for the services rendered by employees. It is a right and not a privilege. On first appointment, salary shall be paid from the date of assumption of duty. An officer on transfer from another Government Agencies or Parastatals to the Federal Civil Service shall start earning the salary attached to his new office from the day he assumes duty.

Salary on Promotion

- (a) If an officer is promoted to a salary scale that does not overlap his old salary, he will be placed at the minimum point of the new scale.
- (b) If his salary in the former post is higher than the minimum point of his new salary scale, he will be placed at the next point higher than his former salary.

Increment (PSR 04203-040208)

Incremental date of an officer appointed or promoted to a post is the anniversary of the date he/she starts to draw the full salary of such appointment or the date of promotion, advance to the first day of the month concerned.

3.1.2 Allowances

Job-Related Allowance

Job-Related Allowances include: duty tour allowance; acting allowance; overtime allowance; estacode; teaching allowance; warm clothing allowance; non-accident bonus; Shift duty allowance; call duty allowance; hazard allowance; responsibility allowance (for Confidential Secretaries); kilometer allowance, etc.

(i) Duty Tour Allowance (PSR 130106)

This allowance is granted to officers on official tours to enable them pay for their lodging and feeding expenses. The applicable rates are reflected in Chapter 20 of the PSR. The allowance is paid only in respect of approved official tours by the appropriate authority. In addition to this allowance, transport/air ticket and cost of local running should be paid.

(ii) Responsibility Allowance (PSR 130116)

This allowance is paid to Chief Confidential Secretaries who serve the President, Vice President, Chief Justice of Nigeria, The Secretary to the Government of the Federation and Head of civil Service of the Federation at the rate of N6,000 p.a. and those who serve other Public Officers including Permanent Secretaries at the rate of N5,000 p.a.

Acting Allowance (PSR 13032)

It is paid from the date of commencement of acting appointment end when it terminates. No allowance shall be paid if the period of acting does not exceed 14 days.

Rates of Acting Allowance – 130129

An officer appointed to act in a higher post shall be entitled to 100% allowance if he has served for more than 2 years in his substantive grade. He shall be entitled to 50% allowance if he has served for only 1 year in his substantive grade.

Overtime Allowance (PSR 130117)

Overtime is the time spent performing official duties outside normal hours of work. This allowance is paid to Officers of GL 01 – 13 who actually do overtime. Overtime is calculated in half-hours. The General Allowances includes meal subsidy, utility allowance; entertainment allowance; domestic allowance; transport allowance; and resettlement allowance rent.

SELF-ASSESSMENT EXERCISE

1. Define Salary.
2. List the Job-Related Allowances available in the Nigerian Public Service.

3.2. Staff Welfare (Medical and Leave)

Staff Welfare deals with issues, other than basic salaries and job related allowances, which can motivate workers to give their best to their jobs. Some of such issues covered in this part are – medical and dental procedures; occupation of government quarters; leave and female public servants.

3.2.1. Medical

Medical and Dental Procedure (PSR 070101 to 070306)

The Federal Government now operates with Health Service Providers.(HCP). Government medical facilities are provided free of charge to all servants and their families. It is still the case inspite of the requirement to pay one third of the price for drugs.

PSR 020304 A staff or a member of his family compelled to avail himself of the services of a Private Medical Practitioner may be refunded the expenses incurred at the rate considered fair and reasonable by the Permanent Secretary, Federal Ministry of Health.

Medical Treatment Overseas (PSR 070206)

- (a) Approval for journeys outside Nigeria for medical treatment will only be given by the Office of the Head of the Civil Service of the Federation on the recommendation of the Permanent Secretary, Ministry of Health. Where an officer is treated as an out patient, he will be entitled to estacode allowance at the appropriate rate.

- (b) **Medical Check-UP**

Officers on GL. 16 and above are entitled to medical check up locally once a year; while officers on GL 12 to GL 15 are entitled to medical check-up locally once in 2 years. Expenses incurred in respect of medical check-up shall be settled by each Ministry.

- (c) **Conditions For Spouse Accompanying Ailing Officers**

When approval is granted to a spouse to accompany an ailing officer, the commitment of the Federal Government shall be limited to return air-tickets for the two of them and the payment of estacode allowance at the appropriate rate to only one of them.

Sick Leave Rules (PSR 070314 – 070317)

- (a) The maximum aggregate sick leave an officer not hospitalized can take is six weeks or 42 days within a year.
- (b) An Officer hospitalized may be allowed 3 months sick leave on the certificate of a Government Medical Officer. After that period, arrangement must be made for him to be examined by a Medical Board so as to ascertain whether he should be invalidated from the Service or allowed further paid sick leave (**PSR 070318**).

Death PSR 070401

When a Pensionable Officer dies in Service, Government shall provide the following:

Preparation of the body for embalment, where necessary;
Settlement of mortuary bills;
Provision of coffin or casket (where necessary) at the approved rate;
Notification of the death of Serving Pensionable Officers and Retired Officers in the Directorate Cadre shall be done at Government expense.

4.0. CONCLUSION

An important component of performance management is the reward system. To a large extent the reward system motivates employees to perform. This informs the importance of commensurate salaries and allowances for Public Officers. Nigeria has witnessed a lot of disruption in the work of Public Servants due to industrial action on inappropriate salaries and allowances. The welfare of officers is also paramount in employee relations in an organization. Public officers can only discharge their duties effectively when they are of sound mind and body.

5.0. SUMMARY

This unit is on the Public Service Rules Guiding Salaries and Allowances, as well as Staff Welfare. It is important to remember that salary is the compensation paid by an employer for the services rendered by employees. This is a right and not a privilege. Increments are given, subject to good performance on the anniversary of the date an officer starts working. There are many allowances that an Officer is entitled to in the course of Government business. Among these are: Duty Tour Allowance, Responsibility Allowance and Acting Allowance. Many of the fringe benefits in the Nigerian Public Service have been monetized. In terms of health care, the Federal Government of Nigeria now operates subsidized health care services with Health Service Provider. Approvals for overseas medical treatment will only be given by the Head of Civil Service of the Federation on the recommendation of the Permanent Secretary, Ministry of Health.

6.0. TUTOR MARKED ASSIGNMENT

1. Discuss the various job-related allowances available in the Nigerian Public Service.
2. What conditions guide medical treatment overseas for Public Servants?
3. What are the expectations from MDAs if a pensionable officer dies in service?

7.0. REFERENCES AND FURTHER RREADING

Federal Republic of Nigeria (2009). *Public service rules*. Abuja. Office of the Head of Civil Service of the Federation.

Federal republic of Nigeria (2004). *Guidelines for appointments, promotion and discipline*. The federal civil service commission.

Federal Republic of Nigeria (2000). *1999 Constitution of the Federal Republic of Nigeria*. Abuja. Federal Republic of Nigeria

MODULE 4

UNIT 5 – ETHICS ACCOUNTABILITY AND PROBLEMS OF PUBLIC SERVICE

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1.0. INTRODUCTION

The various reports from the electronic and print media especially in the last decade have exposed the unethical behaviour and poor accountability exhibited by Public Service holders in most Countries of the World. Even the developed countries are no longer immune to greedy politicians who make fake claims or blatantly spend government money. Sexual abuse is also becoming an act exhibited by high profile Public Office holders. The fact that Public Service employees come from varying social backgrounds make it necessary for government to enforce the Ethical Codes of Conduct as enunciated in Public Services rules and regulation. The civil Service Handbook in Nigeria provides a reference book. The irony of this situation is that most newly recruited public servants are not aware of the handbook until there is a promotion examination coming up. The procedure of early induction of Public employees to acquaint them with rules, procedures, ethos and values of the Public Service is been jettisoned for no reason. This unit discusses the characteristics of ethical behaviour and accountability in the Public Service.

2.0. OBJECTIVES

After studying this unit, you should be able to:

- (a) Define Ethics;
- (b) Define Accountability;
- (c) Explain Factors Influencing bureaucratic ethics and corruption;
- (d) Enumerate the Code of Conduct for Public Servants;
- (e) Explain the roles of Government Machineries in Preventing Unethical and Non-Accountable Behaviour; and
- (f) Identify the Impact of Accountability on Public Service Delivery.

3.0. MAIN CONTENT

3.1. Definition of Ethics and Accountability

3.1.1. Definition of Ethics

Ethics is generally considered as moral principles that govern a person's behaviour. Lacey (1976) defines ethics as an inquiry into how men ought to act in general, not as a means to a given end, but as an end itself. Machan (1979) in Ezeani (2006) states that ethics is the study of whether there are any values each and every person should pursue, whether there is a set of virtues as a Code of Principles of Conduct for everyone and what these are if they do exist. A simple definition of Ethics was provided by Walkings (1956), when he defines it as a system of moral principles, a definition adopted by most dictionaries. Ethics is therefore a moral issue often times culture specific and time specific For example, different types of marriage raise different moral issues, depending on which one a society or a group in a society adopts. Ethical behaviour explains how a public servant or Public office holders should behave.

3.1.2. Definition of Accountability

The Free dictionary (2011), defines Accountability as the obligation unposed by law or lawful order or regulation on an officer or other person keeping accurate record of property, documents or funds. The person having this obligation may or may not have actual possession of the property, documents or funds. Accountability is concerned primarily with records. It involves being answerable for the utilisation of resources and assignments delegated to an officer. Most of the time it involves report writing.

Public accountability is the obligation of public office holders/ Public Servants to be answerable for fiscal and social responsibilities to those who have assigned such responsibilities to them (Business Dictionary 2011). Public accountability therefore rests on giving an account and on being held to account (Raka and Taylor 2011).

3.2. Ethical Theories

In order to grasp the importance of ethical behaviour in the public service operations, it is relevant to know some ethical theories and their application in the public service. Ezeani (2006), discusses extensively three theories of ethical behaviour. These are: justice – as – fairness theory, intuitionism perfectionism and Utilitarianism. This section is largely drawn from his work.

. Justice – As – Fairness Theory

Ezeani (2006), states that Rawls (1971) argues that public interest rests on the principles of justice. Public interest theory stipulates that all resources should be utilised in the interest of citizens. The first principles of justice states that each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty by others. The second is that social and economic inequalities are to be arranged so that they are to everyones advantage; and attached to offices and positions open to all.

In short, the principle of justice is that of equal opportunities for all. The principle of Federal character is embedded in the 1999 Nigerian Constitution is based on these two principles. Henry (2002) states that Government owes people who have suffered injustices in form of lack of educational opportunity, or social prejudice special chances to get ahead.

(a) Intuitionism

Henry (2002), also states that Intuitionist Theories Administrators take decisions on the basis of what seems to be to them most nearly right on an individual basis and given circumstances. Ezeani (2006), states that this theory has been criticized on the ground that it provides no guideline for rational decision making.

(b) Perfectionism

This theory advocates that the Public Administrator should always strive to support the upper intellectual crust of his or her society. The focus is on the best members of the society. This theory is in conflict with the Justice – As – Fairness Theory.

(c) Utilitarianism

The Utilitarian Theories believe that an act should be judged right or wrong according to the pleasure or happiness produced or the pain avoided (Ezeani 2006). They think that happiness and pleasure are related. The focus of these thinkers is on the consequences or effects of an action not the motive or intention from which it was done. Popular theorists of this view according to (Ezeani 2006) are Jeremy Bentham (1748 – 1832) and John Stuart Mill (1808 – 1873).

SELF ASSESSMENT EXERCISE

1. Define Ethics and Accountability.
2. What are the factors that should be considered in making ethical decision?
3. Explain the Justice – as – fairness Ethical Theory.

3.3. Bureaucratic Ethics and Corruption

3.3.1. Bureaucratic Ethics

Agara and Olarinmoye (2009), explain the perspectives on bureaucratic ethics and corruption. Professionalism in the Public Service determines how the activities of the Public Service will be carried out. Components of professionalism according to the two authors, are values such as loyalty, neutrality, transparency, diligence, effectiveness, impartiality and such values as may be peculiar to individual countries. These are all ethical values that are expected of bureaucrats in the Public Service.

Rohr (1976), states that members of the public expected public servants to act with unwavering integrity, absolute impartiality and devotion to public interest. But this is not usually the case as partisan behaviours are rampantly exhibited, bribes are taken as normal way of conducting business, punctuality at work becomes a rare occurrence and who you know matters more than who you are. Changing of dates of birth influence the recent directive in the Nigerian Public Service that directors cannot spend more than eight year on their post (Office of the Head of Service of the Federation, 2009). You may add a few more unethical practices you have expanded. These are all signposts of a corrupt public Service.

3.3.2. Corruption

Benson (1976), defines corruption as all illegal or unethical use of Government authority for personal or political gain. Hope (1985), states that political corruption laid down the ground rules for bureaucratic corruption in the third world. Nwabuzor (2003), states that political corruption is the fraudulent or forceful acquisition of power over a group of people. If we take Hope (1985)'s stand, it means that if the political class is not corrupt the corrupt practices in the public service can be checkmated. Bayley (1966) defines corruption as a general term covering misuse of authority as a result of consideration of personal gains, which need not be monetary.

3.4. Impact of Accountability on Public Service Delivery

Now that you have been informed of the unethical practices which include lack of or poor accountability, the impact of accountability on public service delivery will now be discussed. Being accountable requires a set of behaviour which public servants should comply with for effective service delivery. (Raga and Taylor, 2011).

Khoza (2000), talks about the Batho Pele principles which impact on accountability of Public Servants to the citizens. These principles are:

- 1.Consultation:** Citizens should be consulted about the quality of the services they receive.
- 2.Service Standards:** Communities should be informed what level and quality of service they will receive so that they know what to expect.
- 3.Access:** All citizens should have equal access to the services they are entitled to.
- 4.Courtesy:** All members of the community should be treated with courtesy and consideration.
- 5.Information:** Communities should be given full and accurate information about the public services they are entitled to.
- 6.Openness and Transparency:** Citizens should be informed on how local authorities function and the information they are entitled to.
- 7.Redress and Handling of Complaints:** If community members do not receive promised services, they should be entitled to a full explanation and also to a speedy remedy.
- 8.Value for Money:** Services should be provided economically and efficiently in order to provide citizens with the principle of best value for money.

3.5. Problems of the Nigerian public Service

There is no doubt that there have been a lot of improvements in the management of the Nigerian Public Service from what it used to be in the 1960s' and early 1970'. Among such improvements are the equitable compensation and treatment of public officers, open performance evaluation system, monetization of fringe benefits and the contributory pension scheme.

Despite these modest achievements the public service is still beset with a number of problems. Some of these problems are: Inadequate implementation of the principle of meritocracy; unstable pay policies and structure; inadequate training and development, job insecurity and general indiscipline.

1. Inadequate Implementation of the Principles of Meritocracy

The public service, oftentimes pay lip service to merit. The merit principle has been laid aside for political considerations. For example, the Federal Character Principle entrenched in the Constitution, puts representativeness above merit in appointments, promotion and placement of public officers.

2. Unstable Pay Policies and Structure in the Public Sector

Compared to the organised Private Sector such as the banking, oil and insurance industries, Public servants are poorly paid. As reported by Fapohunda (2002). Parris (1973), identifies three approaches to fixing compensation for public employees:

1. To pay as little as possible to reduce the burden on tax payers.
2. To pay enough and more than the private sector in order to set a good example.
3. To pay the same as the private sector employees

In the past, prior to 2004, the first approach was adopted in the Nigerian Public Service. But the current remuneration seems to be the first aspect of the second approach, which is to pay just enough. Currently, the 'take home' pay of Public Servants is just enough to take them home. To meet the rate of inflation, public service pay structure needs to be regularly reviewed upwards.

The review of wages and salaries is usually very complicated unlike in the Private Sector. Cabinet approvals have to be sought and cash backing must be ensured. The discrepancy in the pay between the Federal and State Civil Servant is also typical of personnel administration in Nigeria.

Salary increases are determined by the Salaries and Wages Commission rather than by Collective bargaining. Although Labour Unions may protest but their views are inconsequential. The increase or non-increase in public service salaries is due to the whim and caprice of the government of the day.

3. Inadequate Training and Development

Education is expected to provide several skills and knowledge that can be applied to many jobs or occupation. Training and development on the other hand are job specific. In the Public Service with the exception of the Armed Forces, training and development are not carried out systematically. The last overall training needs assessment for the Nigerian public Service was last carried out in 1968 by Professor Wolle. Since then, the MDAs have been training and developing their officers based on informal identification of training needs. So far, a systematic evaluation of the training and development

programmes undertaken by public servants have not been carried out to identify their impact on job performance.

3. Job Security

It is the general believe that Government jobs are available for 35 years of service. (Except in the University and the Judiciary). This is no longer the case. Many public servants have been disengaged for reasons of a lean civil service and dwindling resources. Retirement in public interest is also admissible as a reason for relieving an officer of his/her job.

4. General Indiscipline

Inadequate performance standards and performance targets for public servants have contributed immensely to the general indiscipline in the Public sector. Also contributing to the general indiscipline is the long disciplinary procedures. Rampant lateness to work, laziness, violation of rules and corruption are among examples of acts of indiscipline.

3.6. Nigerian Government Efforts Towards the eradication of Unethical, Poor Accountability and Corrupt Practices

Fagbemi (2006), discusses efforts of the Federal Government Nigeria towards effective service delivery that are aimed at eradicating unethical practices and corruption. These include:

1. The creation of the SERVICOM office in Abuja. SERVICOM is the acronym for Service Compact With All Nigerians;
2. The signing of the Anti-Corruption Law on June 13, 2000. It is a law to prohibit and prescribe punishment for corrupt practices and other related offences;
3. The creation of the Economic and Financial crimes Commission (EFCC) by Act No. 5 of November 14, 2002;
4. The creation of the Independent corrupt Practices and other related offences Commission; and
5. The Code of Conduct Tribunal.

You may wish to read more about these organs of the Federal Republic of Nigeria.

4.0. CONCLUSION

This unit has stressed the need for ethical practices and accountability in the Public Service. The various organs of Governments available for eradicating unethical and corrupt practices by both Public and Private Sector employees should perform their roles without fear or favour. To build public service accountability, both capacity and capability of public servants and institutions need to be built incrementally to cope with the improved tactics of frudument officers who specialize in stealing from the public. The Ethical Code of Conduct for Public Servants need to be enforced in all Public Institutions. There should also be continued research in ethical and accountability management.

5.0. SUMMARY

Ethics, in this unit, has been defined as a system of moral principles which are oftentimes culture and time specific. Accountability on the other hand is the obligation of public office holders/public servants to be answerable for fiscal and social responsibilities. Four Ethical theories were discussed. The theories are the Justice – as- fairness theory, intuitionism, perfectionism and utilitarianism. The impact of accountability on public service delivery could be seen in the way public services are delivered. Among the expected results are: Consultation with citizens, having service standards, equal access of citizens to services and full and accurate information. In order to minimize unethical behaviour, poor accountability and corruption: the Nigeria Government passed the Anti-Corruption Law; set up the Code of Conduct Tribunal; and various Acts of money Laundering and Advance Fee Fraud and other related offences. In November, 2002, the Federal Republic of Nigeria established the Economic and Financial Crimes Commission. Also established was an Independent Corrupt Practices and other Related Offences Commission.

6.0. TUTOR MARKED ASSIGNMENT

1. Compare and contrast the four Ethical theories discussed in the unit.
2. Explain the functions of at least two organisations created to minimize unethical practices, poor accountability and corruption in Nigeria.

7.0. REFERENCES AND FURTHER READING

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