

Effective Public Sector Management as a Sine Qua Non for African Socio-Economic Status: the Nigerian Perspective

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Abstract

The economic system notwithstanding, the public sector occupies a central position in enhancing the functionality of various economic agents-firms, households, etc. Public sector management represents the processes and management relations which exist between the components of an administrative system by which the laws are put into force and/or the activities in the delivery of services satisfying public interest are planned, organized, coordinated, managed and supervised. Basic human needs like food, shelter, etc, can only be met through productivity, employment generation and poverty alleviation. Unfortunately, in a country like Nigeria where unemployment figures reveal a rising upward trend even at periods of economic boom-6.2% (in the seventies), 9.8% (1980s) and 11.5% (1990s), the challenge is obvious. This study investigated the extent to which public sector management in Nigeria has enhanced the livelihood of its citizenry. While data is obtained from secondary sources- the Central Bank (CBN) Statistical bulletin, journals, periodicals and the internet. The equity theory propounded by John Stacey Adams(1963), constituted the theoretical frame work. Its mode of analysis is qualitative. The findings reveal that public sector management in Nigeria has not lived up to the expectations of its citizenry in ensuring significant improvement of people's livelihood. It recommends reforms for purposes of a more effective public sector management.

Keywords: *Public Sector management, Improved socio-economic status, Equity theory, Reforms, Nigeria.*

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Background to the Study

The economic system notwithstanding, the public sector occupies a central position in enhancing the efficiency and effectiveness of various economic agents (firms, households, institutions etc). Public Sector Management represents the set of processes and management relations which exist between the components of an administrative system by which the laws are put into force and / or the activities in the delivery of services satisfying public interest are planned, organized, coordinated, managed and supervised. Basic human needs like food, shelter, etc., can only be met through improved productivity, employment generation, and poverty alleviation. Unfortunately, in a country like Nigeria where unemployment figures reveal an upward trend even at periods of economic boom-- 6.2% (in the seventies), 9.8 % (1980s) and 11.5 % (1990s), the challenge is obvious.

Since the eighties, developing and developed nations have been embarking on public sector management reforms. The institutional character and role of the state has been questioned. Also the public sector has been under pressure to adopt private sector orientations. Earlier reforms which aimed at shaping public administrations that is capable of enhancing national development, was based on the very institutional peculiarities inherited from the colonial masters. The World Bank and other donors in Africa have in recent times concerned themselves with finding alternative ways of organizing and managing the public services and redefining the role of the state to give more prominence to markets and competition, and to the private and voluntary sectors. The alternative vision which is based on issues of efficiency, representation, participation and accountability, has sought to create a market-friendly, liberalized, lean, decentralized, customer-oriented managerial and democratic state.

The public service consisting of ministries, parastatals and extra-ministerial departments, is seen as a pivot for the growth of African economies. It has always constituted the main tool available to African governments for the implementation of programmes of economic growth and development. The public service in any country has the responsibility for the creation of an appropriate and conducive environment in which all sectors of the economy can perform optimally. It is this catalytic role of the service that propelled governments across the globe to search continuously for better ways to deliver their services.

Many African countries like Ethiopia, Ghana, Mauritius, Senegal and Uganda, have embarked on comprehensive reforms aimed at improving the quality of life of their citizens, and creating new government machineries to establish efficient and effective managing systems. The states are known to be over-stretched beyond limits to the point where reductions, refocusing and re-engineering activities are needed. Moreover, stronger incentives for performance should be emplaced to improve macro-economic stability as well as efficiency. Many of those incentives are inspired by NPM concepts, the central feature of which is to introduce or stimulate, within those sections of the public service that are not privatized, the performances activities and the disciplines which exist in a market environment. The campaign for civil society forms part of a wider bundle of reforms in the public sector for the introduction of market- oriented public management approaches. It is discouraging to observe that, despite the tremendous efforts and

resources allocated to reforms, little progress has been recorded and many African countries have not come close to their goal of development and transforming their societies to the same standard as developed countries. Effective health services, education and housing still remain out of reach for many communities. Apart from a few exceptions of successful cases like Botswana, public service management remains at a lethargic stage.

One of the most influential factors that triggered the emergence of New Public Management System (NPM), has been traced to the historical paradigm shift in state ideology in the eighties in advanced capitalist nations toward a neo-liberal market framework, which rejects the welfare state, rejects large public sector, doubts government capacity, blames public bureaucracy and believes in private sector economy. (Nazmul, kabir & Ashaduzzama, 2012).

The Nigerian civil service which is shrouded in the hangover of colonial administration is still struggling to meet with the expectations of many Nigerians and this has craved the desire of government to adopt the NPM approach in the civil service. In addition, The cost of governance in Nigeria has risen astronomically which has resulted to economic stagnation, fiscal crises and poor public services coupled with the increasing demand for an immaculate and regimented public services that conforms to international best practices. (Pfiffner, 2004).

Some emerging economies like Brazil, South Africa and Malaysia, have recorded a good measure of success in adopting the NPM approach. The story is the same for a good number of western nations. The system is seriously undergoing its test-run down here in Nigeria and some other developing countries. It is in this vein that the current study seeks to investigate the extent to which the NPM approach could lead to an improvement in the socioeconomic status of Nigerians.

Statement of research Problem

No nation ever rises beyond the level and quality of her teaching force just as no country can ever rise or grow above the quality of its civil service. It is a statement of fact that the civil service remains the most veritable instrument and machinery of government efficiency. Reforms in the Nigerian civil service have not achieved the desired objective of attaining improved efficiency to ensure the nation's economic growth and development with the attendant benefit of boosting the socioeconomic status of the state and its citizens. This necessitates a change in approach in favor of the New Public Management System. It has worked virtually everywhere else and certainly would work out in Nigeria. This is the only way to boost economic growth, development and attain the overall well-being of the citizenry and the state. This paper investigates the extent to which an improved public sector management system can gravitate in to, and accentuate the economic growth and development of the Nigerian state.

Objectives of the Study

The broad objective of this study is to evaluate the extent to which an effective public management system can enhance the realization of improved socio-economic status of Nigeria and its citizens. Specifically, the study seeks to:

- a) Identify the means of actualizing the dream for an effective public service system for Nigeria.
- b) The extent to which the effectiveness of the public service system can enhance the socio-economic status of Nigerians.

Research Questions

As would be expected of a regular research process, two questions will guide the investigation. They include:

- a) What approach/ means can lead to the actualization of the dream for an effective public sector mechanism in Nigeria?
- b) To what extent would an effective public service system facilitate the realization of an improved socio-economic status in Nigeria?

The literature

Conceptual Framework

Globalization requires reinforcing state capacity as well as opening up the economy as associated with costs and benefits. The more effective a state, the more it can focus on compensating losses caused by globalization and technical change. The absence of an effective public administration can often constrain states from participating in the global economy. It is now recognized that the reform of the public service will offer them a better opportunity of reaping the benefits of globalization.

New public management (NPM) as a concept is fast gaining prominence in the lexicon of public administration. Various scholars are known to volunteer various definitions. For instance, Musa (2006), is of the opinion that "New Public Management is concerned with performance improvement and pressures that a distinct activity "management" can be applied to both the public and private sectors" the term encompasses a wide range of perspectives which are intended to overcome the inefficiencies inherent in the traditional model of public administration.

Hence, Behn in Pfiffner (2004) defines NPM as "the entire collection of tactics and strategies that seek to enhance the performance of the public sector". NPM is therefore, tied to the notion of re-engineering the public sector or re-inventing of government.

Reinventing is a management philosophy that seeks to revamp the process through which public sector organizations operate. It calls for changes in the structure of public organizations, their culture, management systems and other aspects in support of the new initiatives (Hope & Chikulo, 2000 cite in Ojeifo, Alegbeleye 2015).

"New Public Management represents a paradigmatic break from the traditional model of public administration", (O' Flynn cited in Doorgapersad, 2011). NPM is a reformed public service that breaks away from the autocratic, repressive and conservative public administration operating under the whims and caprices of top-bottom hierarchy, underpinned by Weber's (1946) bureaucracy, Wilson's (1887) politics and administration dichotomy and Taylor's (1911) scientific management model of work organization.

Ademolekun (2002), states that the civil service is commonly used as the synonym of the machinery of the government. This is the case in Britain and most common wealth countries in sub-Saharan Africa.

Evolution of the New Public Management

In some developing countries, the New Public Management model has not only taken root in relatively advanced economies in Asia and Latin America, but also in African countries like Ghana, Tanzania, Uganda and Nigeria, etc. Thus, while it originated from the United Kingdom, and the United States, the NPM model has been embraced by developing countries such as Ukraine, Serbia, etc. "The components of the New Public Management include the principle of market competition, business management, customer orientation (clientele) and value for money can be observed in these countries and regions" (Gelas, 2014). This is why scholars like Pfiffner (2005), Polidano (1999), have argued that, in the last two decades, NPM has assumed the status of a global model of public sector reform. The major explanation that can be offered for adopting the approach is the weakness or failure of traditional state bureaucracy, especially in terms of its unmanageable size, managerial inefficiency, public inaccessibility, corruption and self-serving agenda.

The Necessity of the New Public Management Approach in Civil Service

One aim of NPM is to eliminate monopolistic tendencies and allow market forces to determine prices of goods and services. In addition to the requirement of adopting personnel management technique from the private sector, it involves moving from rigid pay- scale to performance- related pay. Such action should preclude the trade union influence. Dahidu and Ahmed (2013) and Dibia (2014), outlined some variables and ways of New Public Management operates as distinct from the old model of Public administration to include- reorganization, competition, incentive-Based Management, and decentralized decision making.

The Transition from Traditional to New Public Management

It could state that the new public management gained prominence following the heavy criticism which greeted the traditional public administration. Critiques pointed some areas to include but not limited to inflexibility and political control. Hence, the new public management became appealing to reformers who called for the reinvention of government. The approach is perceived as a way of improving performance in public management thereby reducing government role. To all intent and purpose, this new approach is meant to introduce as well as apply market principles to governmental administration. In addition to its characteristics, the new public management portrays, it promotes merit-based recruitment and promotion, outsourcing and contracting out autonomy for public managers. In some cases, it also leads to corporization of government ministries and agencies.

In the views of Henry (Cited in Dibia, 2014), the patronage system led to corruption, inefficiency and a class of political "Spoilmen". This traditional approach to public administration dates back to the nineteenth century when attempts were made to recognize the public sector. The structure was made to make public administration

functions become procedurally oriented, inflexible and apathetic to the needs of the citizens. Rosenbloom (2009) believes, “the traditional managerial approach may be better for some functions whereas the new public management approach is suitable for wider range of national issues such as social welfare programme, education, infrastructural development, communication, transport, health care, etc.”

New Public Management in Nigeria

The emergence of the new public management in the western, metropolitan world, in Britain for instance, could be traced to the administrations of Margret Thatcher (Gt. Britain) and Ronald Reagan in the United States of America (USA) of the 1980s which initiated privatization of public enterprises. In the case of Nigeria, the modern concept of new public management garnered momentous ground in 1988 with the government setting up the Technical Committee on Privatization and Commercialization (TCPC) via Decree No. 25 of 1988. The committee was inaugurated in July 1988. It had as one of its cardinal objectives, to adjust the capital restructuring needs of state-owned enterprises (SOEs) to be privatized or commercialized under the Act in order to ensure good reception in the stock exchange market.

Ibietan (2013) posits that,

The above objective of privatization and commercialization policy clearly depicts the beginning of the implementation of some tenets of New Public Management which talked about contracting government enterprises to private hands for efficient and prudent management. The return to democratic governance in 1999 in Nigeria ushered in the radical implementation of the New Public Management principle in public sector organization. Like in Ghana which emplaced the Civil Service Performance Improvement Programme (SPIP), and the panel on Administrative improvement in Malaysia, the Obasanjo administration set up a special body to handle the affairs on the improvement of the public/civil service in the country. According to Seidu (2010), The Bureau of Public Service Reforms (BPRS) came into being as a novel idea due to the need for a stable institutional platform which would drive and sustain the reform programmes (New Public Management) in Nigeria public sector. Areas where “government and the private sector have collaborated are health, road constructions, education, etc”. (Olaoye-Osinkolu, 2013).

The Pitfall of the New Public Management Inn Nigeria

According to Onah (2005), “the public sector organizations are continually in the state of paradox i.e. accepting the New Public Management or continuing with our traditional cultural based administration”. Generally, the new public management is perceived as a good concept, however, in the Nigerian context, one cannot guarantee its corporate existence and implementation for some reasons. Promberger & Ruaskala (2003), believe that, “most African governments decided to adopt NPM with high expectation of enormous improvements, but this has not been the case”. For instance, privatization policy has brought flexible labour relations, civil service reform caused retrenchments and outsourcing as well has led to unstable work pay and job insecurity. Again, mercerization of public services has created some challenges especially to the poor people who cannot

afford high charges of services by private companies or public organizations in business-like manners which are really to serve people rather than generate profits.

Theoretical Framework

The Equity theory (John Stacey Adams, 1963). Is used in the study. Developed by John Stacey Adams in 1963, it is very simplistic yet logical theory of workplace motivation. It is premised on the fact that employees will put forth a particular level of effort which they feel compares to the record potential. It emphasizes that inputs must equal outputs.

Where inputs refer to things like:

1. Effort and enthusiasm
2. Skills and abilities
3. Flexibility and adaptability
4. Loyalty and commitment to the organization
5. Outputs include things such as:
6. Financial compensation
7. Praise and recognition
8. Additional responsibility and autonomy
9. Job security
10. A sense of career advancement or personal growth.

When a balance is achieved between inputs and outputs, it is believed that employees will be more satisfied and willing to work toward high levels of productivity. Many would argue that fairness is something that we should expect from our employers. When it comes to fairness, employees rely heavily on perception: namely what they perceive to be fair and equal? When a reward is perceived as equitable to the level of effort that they must exert, positive outcomes and high levels of motivation should be the expected result (Source: Study.com.)

Empirical Literature

Lawani (n.d), conducted an investigation on Project Management Practices in Government Organisations in Developing Countries: A systematic Review. The Study analyzed previous studies on project Management Practices in developing countries government organizations (DCGOs) published in academic journals under/on conference proceedings. Factors which impact on project management practices in public organizations of developing countries were identified and categorized into; structural factors, government control procedures, contractor issues and lack of project management knowledge and project managers' expertise. The findings suggest that a combination of the factors identified will be required to enhance project management practices in public organizations of developing countries.

Nwokoma (2015), undertook a review, challenges and future prospects of Reforms in African Economies: An appraisal of the Nigerian situation. It undertook a review of reforms in African economies with particular focus on Nigeria, which recently attained the status of the largest economy on the continent. It was observed that the issue of focused leadership and reform of the public sector are critical in ensuring that economic reforms achieve the desired goals on the continent.

Alence (2004), studied political institutions and developmental governance in sub-Saharan Africa. The article addressed the question of whether, or under what conditions, democratic institutions contribute to 'developmental governance' in sub-Saharan Africa, in forms such as coherent policy formulation, effective public administration, and limited corruption. Using a simple framework informed by the new institutional economics, it analyzed the impact of political institutions on governance quality in a sample of 38 sub-Saharan African countries. The main finding is that a combination of democratic contestation and institutional restraints on governments' discretionary authority substantially improves developmental governance. The article shows that democratic institutions systematically enhance African states' performance as agents of development.

Several empirical investigations have been conducted on public sector management and economic development across the globe. Unfortunately, scholars have failed to address the issue of effectiveness of public sector management and its impact on the general welfare of the society. Moreover, no such study has been carried / conducted with Nigeria as its focus. This creates an obvious gap which is serious enough to arouse the curiosity of any researcher.

Research Methods

In this study, data obtained from secondary sources are analyzed using content analysis which runs in sequence of the research questions as follows:

Research Question One (1): what approach/means can lead to the actualization of the dream for an effective public sector mechanism in Nigeria?

A major criticism of the traditional public administration is that the system is inflexible and encourages political control. Dibia (2014), is of the view that, "this patronage system leads to corruption, inefficiency and a class of political "spoilsmen". This explains the character of the present political class in Nigeria in which the "spoilsmen" are associated with all forms of corruption and abuses ranging from fraud, embezzlement of public money, property, etc. The overall consequence is reflected in the inefficiency, eventual failure, slow pace and negative growth rate (recession) in many developing countries like Nigeria and South Africa. There is therefore, the need for a paradigm shift as offered by the New Public Management approach. Thus, the conflicts, agitations etc., call for the reinvention of government through the introduction and application of market principles to governmental administration. This will lead to the corporatisation of government ministries and agencies. Empirical studies support the introduction of the NPM. For instance, Alence (2004), Nwokoma (2015), all support the paradigm shift from the old to the new approach to public management. Thus, using a sample framework informed by the new institutional economics, it analyzed the impact of political institutions on the quality of governance in a sample of 38 sub-Saharan African countries. The finding is that a combination of democratic contestation and institutional restraints on government's discretionary authority substantially improves developmental governance.

Research Question Two (2). To what extent would an effective public service system (NPM), facilitate the realization of an improved socio-economic status in Nigeria?

The term, “New Public Management”, encompasses a wide range of perspectives presented in our literature review in this paper. Such ranges of perspectives are intended to overcome the inefficiencies inherent in the traditional model of public administration. The thrust of the NPM is the emplacement of a market-based approach that ensures efficiency and improved productivity to a point where input into the society will always equal the output within such a system. Thus, the NPM is a system that will go the extent of attaining sustainability of the environment.

It stands to reason that efficiency in productivity will gravitate to a significant reduction in the exploitation of the environment which will translate to meeting the needs of the present without reducing the chances of the needs of the future generation to be realized.

This paper has cited relevant theories to this study. They include- the Classical Public Administration Theory (Max Weber & Woodrow Wilson; The New Public Management Theory, and the Equity Theory (theoretical framework) associated with John Stacey Adams, 1963). These theories have found expressions in this analysis. By implication, the New Public Management is an embodiment of efficiency and equity which are indispensable components of sustainable development, an indication of the extent to which the new approach can go in guaranteeing a better living for the greatest portion of the human society. It reveals according to Lawanin (n.d), that, NPM necessitates the incorporation of multiple variables/factors to enhance management practices in public organizations in developing countries.

Findings

The following revelations are recorded in this study consequent upon our analyses-

- 1 There is the need for a paradigm shift from the old traditional public administration to the New Public Management.
- 2 The New Public Management is an embodiment of efficiency, productivity and equity.
- 3 The NPM encourages market-based orientation approach to public administration.
- 4 The old/traditional Public Management mechanism encouraged corruption and inefficiency and insulates the political class from the principle of accountability.

Conclusion

Nazmul, Kabir and Ashaduzzaman (2012), have made the revelation that:

One of the most influential factors that triggered the emergence of New Public Management Systems (NPMS) has been traced to the historical paradigm shift in state ideology in the eighties in advanced capitalist nations toward a neo-liberal market framework, which rejects the welfare state, rejects large public sector, doubt public capacity, blames public bureaucracy and believes in private sector economy.

Thus, the New Public Management represents a paradigm shift from the traditional model of public administration. Many developed and indeed developing nations have aligned with this shift with its attendant benefits. This shift is shrouded in market-based approach to governance which has led to merit-based, efficient, corruption free economies in many countries. One feature of this management approach is the removal of the insulation of the political class from being accountable for their inadequacies, ineffectiveness and inefficiency. Nigeria as a mixed economy has adopted this approach only to an extent. This paper advocates the total adoption of this approach in order to reap its obvious benefits.

Suggestions

Against the background of our findings, the paper makes the following recommendations:

- 1 The benefits from the shift from the traditional to NPM has been quite beneficial to many countries. Nigeria is advised to embrace it in its entirety.
- 2 Nigeria should embrace the market-based approach to NPM by emphasizing the market-based components.
- 3 The political class should be held accountable for their political misgivings.
- 4 The Anti- corruption stance should be buttressed through manifestation of patriotism by Nigerians
- 5 Efficiency and effectiveness should constitute the cornerstone of the NPM approach.

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