

LEADERSHIP AS A PREREQUISITE FOR PRODUCTIVITY IN THE NIGERIAN PUBLIC ENTERPRISES

UGOCHUKWU, RAYMOND UTOMI
(B.sc Business Admin., M.sc., Business Admin. (Management), AMNIN,
Tel: +2347032728474
Email: raymondut2003@yahoo.com

&

RAHMAN, OLADIMEJI MUSTAPHA
(B.sc Business Admin., M.sc Finance., MNIM,
Tel:+2348033006246
Email: rahmanmustapha@yahoo.com

C/O Emmanuel Caxton Utomi
P.O Box 2788
Shomolu,
Lagos

ABSTRACT

Writings and Researches in the recent past have scored Nigerian Public Enterprises' productivity low. This paper's attempt to unmask the root cause of this unfortunate status revealed that Leadership Style collaborated amongst others, with Corruption; Defective Recruitment and Selection Processes together with Poor attitude of Nigerian workers and Frustrating bureaucratic bottlenecks to contribute in no small measures to the status. However, the productivity could be enhanced if Regular Performance Appraisal, Motivation and appropriate placement of personnel/ discipline could be enforced.

INTRODUCTION

There is no gainsaying the fact that every sector of an economy wants its contribution felt in the national development chart but this largely depends on how resources are effectively and efficiently utilized in such sector. Unlike many developing nations that have the twin problems of resource constraints and low productivity that hinder their economic growth and development, Nigeria appears insulated. With her vast rich mineral and human resources, she could boost her productivity in all sectors in general and the Public Enterprises in particular, if appropriate measures are put in place. Productivity as a concept is a parameter for measuring economic growth and development in relations to human and material resources employed at a point in time. This principally accounts for why it is one of the parameters used to measure the Gross Domestic Product (GDP) of a nation. Productivity enhancement therefore, is an issue that should be pursued with vigour by all nations that long for meaningful development.

Stoner and Gilbert (2004), sees productivity as a measure of a manager or employee's efficiency in resource utilisation to produce goods and services. The resources in question are labour, time, money and materials and productivity may be high or low depending on how well these resources are harnessed by a leader. Unfortunately, very few developing nations could optimize their productivity potentials due to many reasons. These include, but not limited to, low level of technology, inadequate finance, inadequate training, poor leadership and poor remuneration. But amongst these, poor leadership appears to be the greatest problem facing productivity improvement in Nigerian Public Enterprises. As highlighted in an empirical study conducted by Nwachukwu (1987), 78% of respondents believed that leadership failure accounted for low productivity in the Nigerian public services. Public enterprises otherwise known as parastatals or public corporations are government owned enterprises. Obadan (2000) revealed that the

1999 survey by the Technical Committee on Privatization and Commercialization showed that there were about 1,500 Public enterprises in Nigeria, out of which 600 were owned by federal government and the remaining ones by the state and local governments. Even with privatization and commercialization programme embarked upon by Nigerian government to turn public enterprises around, most of these public enterprises are still in deplorable state as Ogbadu (2003), pointed out from Obasanjo Economic Director (2000). The National Stadium in Lagos and the Nigeria Railways Corporation are classical examples of rotten Nigerian Public Enterprises and so are the deplorable conditions of Power Holding Corporation of Nigeria PHCN. In its news release in 2006, PHCN expected power to increase from 3000MV prevailing capacity to 10,000 MV by 2007, but it remains largely unachievable even as at the first quarter of 2013.

Selected macro-economic variables on productivity growth in Nigeria
Table 1: ('000)

	Productivity	Annual Growth	Productivity	Annual Growth	Productivity	Annual Growth
1973	2.49	-	8.56	-	7.55	-
1975	2.44	14.86	6.23	-24.68	7.09	-7.37
1977	2.20	-9.67	6.31	-0.91	7.56	-7.75
1979	2.02	-7.52	5.87	-5.97	7.02	-5.50
1981	2.05	-2.15	5.82	-4.67	5.74	-0.43
1983	2.11	1.22	4.78	-13.41	5.61	-1.28
1985	2.61	33.81	5.00	8.11	5.54	11.22
1887	2.32	-5.75	3.84	-5.51	5.02	2.09
1989	2.49	0.57	6.72	63.35	4.49	-16.51
1990	2.44	-1.95	7.11	5.85	5.30	18.04
1991	2.47	1.12	7.39	3.88	5.32	0.23
1992	2.47	0.17	7.04	-4.70	5.67	6.76
1993	2.45	-1.16	6.69	-4.91	5.56	-1.88
1994	2.46	0.71	6.62	-1.15	5.59	0.49
1995	2.45	-0.57	6.34	-4.17	5.36	-4.14
1996	2.54	3.78	6.43	1.43	5.43	1.32
1974-80	2.21	-2.04	6.48	-4.32	7.24	-3.31
1981-90	2.29	2.01	5.16	3.37	5.27	-0.32
1991-96	2.47	0.68	6.75	-1.60	5.51	0.46
1974-96	2.31	0.41	5.73	-0.23	5.68	-1.02

Sectoral labour productivity (Agriculture, industrial and services.
Sources: Adapted from Obadan M.I and Odunsola A.F (2000)

From the above, one can see that the productivity growth rate both in pre and post Privatisation and Commercialization periods in the selected sectors in Nigeria, are not impressive. What could be the root cause of this? Perhaps the answer is in the understanding of the real meaning of leadership's roles in solving the Nigerian productivity problems, particularly in the Public Sector.

Leadership

Stoner et al (2004), defined leadership as the process of directing and influencing the task-related activities of group members. It follows from the above definition that leadership involves not just the leaders but also the followers. A leader cannot lead without the follower, hence leadership has direct relationship with followership. In other words, leadership and followership are complementary. Another dimension to the foregoing, is to view leadership as a social influence in which the leader seeks the voluntary participation of subordinates in an effort to reach organizational objectives, Ejioogu, Achumba and Asika (1995). One can infer from this definition that leadership involves a social interaction, whereby the willingness of subordinates to follow is subscribed to- obviously not by force. This however does not presuppose that a leader cannot be firm and definitive. It is not just enough to have a leader but suffice it to say that a leader must be genuine. "A genuine leader is one who is a problem-solver, who can lift the burden of shame off

his country or organization, who would prefer to die than to live the life of an accusing conscience, one who is full of compassion, who has not lost his or her tenderness and above all who can put others first before self" Obisi (1996). It thus infers that a genuine leader is one who is not only self respecting in his approach to life, but also neither morbid nor a religious bigot. He must be alert, pragmatic and averse to acts or deeds that can promote demoralization, damage, deterioration and degradation. Genuine leadership, without any iota of doubt, goes beyond religious and political affiliations; self centeredness; egocentrism, philosophy; dogmatism; tribalism and nepotism among others.

While distinguishing between a Leader and a Manager, Bennis and Nauns (1985) opined that managers are people who do the things right while leaders are the people who do the right thing. This is predicated on the belief that there are certain people in the organization who exhibit behavioural characteristics of a leader but are followers and there are those who are managers but do not possess leadership traits. Ogbadu(2003) posits that managers develop plan whereas leaders create a vision and a strategy for achieving the vision. However, a good blend of the two concepts is necessary for productivity improvement in the Nigerian Public enterprises.

Theoretical framework

There are several studies on leadership in management literature. One of such studies is known as *Trait theory*. The theory assumes that there are inherent traits and qualities in every leader. That is to say that leaders are born and not made. Further studies conducted revealed that several traits are associated with leadership or successful leadership. A few examples are Stogdill and Mann (1948); and Ejioogu et al (1995). They identified five personality traits that tend to differentiate leaders from followers. These are intelligence, dominance, self-confidence, level of energy and activity; and task relevant knowledge. However, the trait theory has been criticized because it does not take situational factors into consideration and does not tell how much trait a leader should possess. A leader can emerge as a result of a situation. Examples of these leaders abound all over the world - Odumegwu Ojukwu and Ernest Shonekan in Nigeria, Adolf Hitler and Hugo Chavez of Germany and Venezuela respectively were situational leaders.

The shortcomings of Trait theory have necessitated other studies on leadership that take the variability of a situation into consideration. A good example of such study is Fred Fieldler (1967)'s Contingency model of leadership. Fred Fieldler was of opinion that effective leadership is a function of the *characteristics of a leader and of the prevailing situation*. In 1967, he further identified three situational characteristics that determine effective leadership. These are leader-member relations; position- power; and task structure. To these he identified two basic leadership styles - Task motivated leadership style and Relationship motivated leadership style.

Another contingency theory is the *Path goal theory* of Robert House (1971). Path goal theory is based on the premise that effective leaders motivate subordinates to achieve goals by clearly identifying the outcomes that subordinates are trying to obtain from the workplace, rewarding subordinates with these outcomes for high performance and the attainment of work goals and identifying for subordinates the paths leading to the attainment of work goals. Path goal theory identifies four kinds of leadership behaviours, directive behaviour, supportive behaviour, participative behavior and achievement oriented behaviour. The weakness of trait theory to meaningfully explain any relationship effectiveness also led to the emergence of behavioural theory of leadership. And one of such studies of behavioural theory is Blake and Mouton (1964) *managerial grid study*. They proposed that leadership can be placed on two dimensions namely: concern shown by the leader/manager for people (i.e the subordinates) and for productivity. The combination of these two dimensions gives five different styles of leadership namely country club management, team management, organisational man management, impoverished management and task management. Other studies on behavioral theory of leadership include Tannenbaum and Schmidt work (1958), University of Michigan studies and Ohio state university to mention but a few.

Types of organizational leaders

- (1) **Autocratic Leader:** An autocratic leader is the leader that issues orders to subordinates or followers and expects compliance without complaints. Little or no input is expected from subordinates or followers when taking decision. He provides a structured set of reward and punishments. He can be succinctly described as the "DO AS I SAY TYPE". The autocratic leaders could be found in regimented organization like the Police and Army.

- (2) Democratic Leader: He is the leader that empowers his followers or subordinates to accept responsibilities and use initiatives in solving organizational problems. The democratic leader allows his followers or subordinates to establish their goals and grow on the job.
- (3) Transformational leader: He is a person who brings about major changes in an organization and a visionary for the sake of the organization(Davis 2003). Transformational leadership involves breaking new grounds, challenging the current situation and changing the status quo for the good of the organization.
- (4) Transactional leader: He is a leader that clarifies role and task requirement in a bid to influence and motivate follower performance towards the achievement of organizational goals. Transactional leader determine what subordinates need to do to achieve objectives, classify those requirements, and help subordinates become confident they can reach their objectives Stoner, Freeman and Gilbert (2004).
- (5) Bureaucratic leader: According to Mintzberg (1979), Bureaucracies are organizations that rely primarily on the formalization of behaviour to achieve co-ordination. To this end, a bureaucratic leader is a leader that influences the behaviour of his followers or subordinates based on the laid down rules and regulations in the organization. The bureaucratic leader is more of a police who runs and enforces the organization rules by the book.
- (6) Laissez faire leader: laissez faire is a French word which means hands-off. A laissez faire leader is a leader that abdicates decision making responsibilities and authorities to subordinates. This could be based on trust, high level of employees experience and knowledge.

Causes of poor productivity in Nigerian Public Enterprises

Poor productivity levels in the Nigerian Public Enterprises are traceable to the following:

- (a) Attitude to Work:- Generally, staffers of public enterprises are yet to get-over the "government work syndrome". To them, the phrase "government work needs no sweat" remains rife (Ohanemu 2006). The lackadaisical attitude of workers to work in the public sector is a leadership problem. In a situation where a leader cannot motivate his subordinates to work; productivity is bound to be poor. This has affected efficient service delivery to customers such that a lot of people prefer to patronize the private sector even at exorbitant prices.
- (b) Method of Recruitment:- According to Ogbadu (2003) Nigerian pattern of recruitment into "the public sector is characterized by the phrase "Who you know" rather than "What you know". This method of recruiting people into Nigerian public service is another leadership problem. Favoritism, nepotism, tribalism have all become the order of the day in the process of recruiting people into the public sector. A system where jobs are given to less qualified or unqualified friends without recourse to merit, where people are promoted on favoritism, productivity is bound to suffer.
- (c) Poor performance Appraisal:- Sincere performance appraisal is lacking in the Nigerian public sector. According to Obisi (1996), the way wardens of an individual in the organization could be contained or removed by helping him or her through performance appraisal to adjust or shoved out. Performance appraisal will show the strengths and weakness of an employee and will reveal redundant, unproductive and even ghost workers. This will enable the organization to put up appropriate remedial measures.
- (d) Corruption:- Those at the helm of affairs who put people to manage public enterprises are corrupt and these corrupt practices are emulated by the management of these enterprises. The Nigerian former Head of state, General Sani Abacha was noted for his corrupt practices. He was listed on the world's fourth most corrupt leaders in recent history by Transparency International in 2004. Estimates of the amount looted by Abacha during his five years in office varied from 2 to 5 billion USD . The higher figure represents about 10% of Nigeria's annual income from oil over five years. The sum includes monies allegedly derived from the systematic misappropriation of funds

from the Central Bank of Nigeria, bribes required from foreign companies (Bassel Institute of Governance 2004). Little wonder, why Economic and Financial Crimes Commissions(EFCC) was after the former Nigerian Ports Authority (NPA) boss, Chief Olabode George over N84 billion alleged financial improprieties (Nigerian This Day Newspaper, July 20, 2008).

- (e) Lack of parity of Authority with responsibility:- One of the key principles of delegation is that authority must be at par with responsibility. It is to be expected that when responsibility is given to a subordinate he is to have commensurate authority to discharge it Nwachukwu (2004). But in Nigeria public enterprises, the reverse is the case. Those managing the enterprise do not have authority that is commensurate with responsibility assigned to them and this makes it difficult for them to hire qualified personnel, fire employees if they are found wanting or even demote them because their actions could be questioned by higher authorities.
- (f) Bureaucratic bottlenecks: The organization structures of most public enterprises have remained bureaucratic which is often associated with hierarchy of authority, rigidity, slow decision making, division of labour etc. Some of these characteristics of bureaucratic could affect employee morale and consequently productivity. For instance division of labour has been found to lead to monotony. Division of labour as it promotes expertise inadvertently gives the rise to boredom which could lead to lower productivity Ejiogu et al (1995).
- (g) Technology: The low level of technology in some Nigerian Public enterprises has contributed to poor services to customers. Technology led to the emergence of cell phones unlike the land line method of communication that NITEL was known for. Even with the deregulation of the telecommunication sector, the services of NITEL and NIPOST are still not impressive. Inability of management of public enterprises to be at tune with up to date technology can lead to poor productivity.

Implications for Management in Nigeria Public Enterprises

- Performance Appraisal needs to be carried out regularly so as to reveal the employees to be promoted, rewarded and those that need training for performance enhancement. Aside from the low performers that are untrainable and thus deserve being laid off, productive workers should be positively rewarded and motivated to increase productivity. Appraisal should be the plane on which training needs are built and ultimately on which productivity are measured.
- Disciplinary actions such as demotion, transfer, warning, query and summary dismissal depending on the nature of the offences committed should often be used against erring employees. Nwachukwu (2004) noted that the one of the most effective methods of enforcing discipline is "the red-hot stove rule". If you bring your hands towards a red-hot stove, it warns you with steaming heat that emanates from it and if you touch it, it burns. In this vein, employees should be warned or reprimanded for breaking minor rules and hammered for breaking the major ones.
- Bureaucracy is not totally harmful or injurious to organizations like Nigerian Public Enterprises, it has some advantages. Productivity through bureaucracy could be enhanced through Career orientation; Impersonal orientation; Spelt out authorities and responsibilities. These are achievable through proper placement - by making sure that the right caliber of staff are employed and assigned well structured roles and goals.
- The management of public enterprises should operate in the realms of creativity and innovation. According to Ohanemu (2006), creative thinking is another license to successful management of public enterprises. A creative and innovative management presupposes transformational leadership.
- Experience, Capacity and capabilities are prerequisites for employees to run the public sector.
- Those at the helm of affairs should, from time to time, undergo leadership training to acquire leadership skills given the fact that a leader may not necessarily be born but could be made
- Interference by governments in public enterprises should be minimal and authority to discharge duties should be commensurate with the responsibilities assigned to the appointed personnel. One of Fielder's (1967) tenets on which leadership is based is Position Power. This tantamounts to amount of power a leader has to carry out assigned responsibilities. If his Position Power is weak,

it will affect his ability to reward, hire, fire or promote his subordinates. Therefore the leaders' position power should be high enough to discharge his obligations.

- The subordinates or employees of public enterprise should also be motivated. Pathgoal theory of Robert House (1971) focuses on what a leader should do to motivate his subordinate in achieving organizational goals. In the light of this, incentives and motivational schemes should be put in place to reward those workers that are productive.

Conclusion

It is crystal clear that Productivity in the Nigerian Public Enterprises pre and post Privatisation and Commercialisation periods are abysmally low and therefore calls for measures that will boost and renew the driving forces of productivity in the sector. Having unmasked these reasons, there is the urgent need for the government to unleash its efforts in consonance with the various highlighted theories, notwithstanding their shortcomings, to optimize public sector productivity levels that are comparable to the developed nations. Nigeria's experience in a democratic setting, in the last couple of years, put her in a better stead to hold the bull by the horn in her quest to improve her productivity in all sectors considering the pool of qualified manpower she is endowed with. Good Leadership always give birth to good followership and the two can only thrive in a political settings that are characterized with honesty, transparency and accountability among others. Whatever permutations or combinations the government decides to take, the equation of productivity improvement will be incomplete without taking care of the welfare and quality of the human resources vis-a-vis other materials employed.

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