

# Low Income and Diminishing Productivity in Nigerian Public Sector

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A critical function that an organization should perform is that of getting its employees motivated. Every country, be it a capitalist or socialist, developed or developing aims at securing maximum productivity in every sector of its economy in order to sustain its economic viability. This article discovered that most countries with low productivity growth experienced this due to inadequate motivation of employees. While wages and salaries play an important role in determining productivity growth in less developed countries, low income ceases to have a significant effect on productivity growth in highly developed countries due to other motivational incentives and modern technological facilities made available to their employees. Nigerian public sector has low productivity as measured by its output in relation to its capital and labor inputs. This problem is majorly predicated on government non sustainability action towards labor and its insensitivity towards the unprecedented poor wages and incentives given to public workers. This article is to gear up the government to take a pro-active step that will enhance sustainable development which includes: formulation and implementation of good policies on wages and salary review, corruption and mismanagement of funds, good governance, and national development plans.

**Keywords:** Low income; Productivity; Public sector and good governance

**Introduction**

Over the years, Nigeria's public sector like other sub-Saharan countries has traditionally experienced low domestic savings, high unemployment, low productivity, increasing inflation, declining or stagnant labor capacity utilization and consistent demand for subventions, subsidies and grants which often emanated from acute challenges created by obsolete equipment, inefficient infrastructural services and low income paid to workers. On several occasions, but to no avail, different governments have initiated and implemented policies to develop requisite skills, ensure adequate and cost-competitive production inputs and services and provide needed finance to facilitate high productivity that would boost the nation's economy. A critical study of Nigeria's public sector shows that, the cost of running these bureaucratic institutions is so alarming that they became a drain pipe of hard earned resources. This heinous development raises some fundamental questions on their existence and importance as government ministries, departments, and parastatals whose major reason for their establishment is to sustain economic and social development of Nigerian state. It is interesting to say, that there is general belief that the politicians and past military juntas were responsible for the state and height of poverty, corruption, low productivity and non-performance of public servants. Scholars believed that the performance of public sector in Nigeria has been replete with varying contradictions [1] and has even become an epitome of all that is corrupt, mediocre and fraudulent [2]. From the military autocratic leaders to the quasi-democratic governments; all have collaborated with public officers to swindle the public fund for their personal use. The argument that the government has no financial capacity to review the income of public servants may not be tenable considering the degree of financial embezzlement committed by the public officers in the political environment and civil institutions.

The history of Nigeria's pay structure predates her political sovereignty. In the course of evolving an enduring and sustainable pay structure and incomes policy in Nigeria, different commissions have been established, both in the colonial and past colonial periods. These ad hoc bodies set up by different governments to handle wage reviews

were often influenced by labor unrests resulting from the desire for better salaries and conditions of service.

These commissions are the Hunt commission (1934), Bridges Commission of Enquiry (1941), Tudu Davis Commission (1945), Harragin Commission (1946), Miller Committee (1947), Foot Commission (1948), Adebo-Philpson commission (1954), Messrs Gorsuch and Randell Commission (1955), News Commission (1956), Mbanefo Committee (1959), Morgan Commission (1963-64), Wey Panel on Public Service Management and Salary Administration (1960), Elwood Grading Team (1964), Adebo Commission (1970-71), Udoji Public Service Review Commission (1972-74), the Cookey Commission (1981), Dotun Philips Study Group on the structure, staffing and operations of the Nigerian Civil Service (1985), Presidential/Koshoni Task Force on the implementation of Civil Service reforms (1988), Fatai Williams Committee (1990), the Commission on the Review of Higher Education in Nigeria Longe Commission (1991), Allison Ayida Review Panel on Civil Service reforms (1994-1995), the Vision 2010 Committee on Harmonization of Remuneration in the Public Service (1998). Damachi Tripartite Committee 1990, 19-Man Presidential Committee 2000, Wages, Salaries and Emolument Relativity Panel 2004-2005, Consolidation of Public Sector Emolument Panel 2005-2006, Stephen Oronsoye Panel 2010-2012.

The public sector of every nation is germane to her national development. Perhaps, this accounts for why a larger proportion of the Nigeria national budget has been voted for the creation and sustenance of public enterprises [1]. Through its ministries, departments and agencies, government puts in place policies, programs and services that

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help galvanize development at all levels, engender economic progress and increase trust and connection between the managers of the state and the people [2].

The problem of the public sector arose from the problem of securing appropriate income for public servants. Although the incomes of an average public servant differ from one country to another, there is however a universal confessor of what is considered as a decent work. Work is central to people's lives. Yet often times people work in conditions that compromise their ability to live productive lives. ILO's Decent work Agenda "sums up people's aspirations for a full and productive employment that delivers a fair income, security in the work place and social protection for families, better prospects for personnel and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men" (ILO, 2010). ILO perception of fair income complimented Frederick Taylor's view in his Scientific Management Theory, a classical school which focused on productivity of individual workers. Taylor posited that money was the way to motivate workers to their fullest capabilities. Taylor felt that such financial incentives would induce workers to produce more so that they might earn more money [3].

Since the major schools of economic thought assign a central role to productivity in the acceleration of economic growth of any nation state, it is imperative to say that one of the means of enhancing the gross domestic product (GDP) of Nigeria which stood at 6.28 per cent in the second quarter of 2012 as indicated by The National Bureau of Statistics (NBS) is when productivity is further boosted in the country. For instance, Nigeria recorded a Current Account surplus of 7.10 percent of the country's Gross Domestic Product in 2013.

### Conceptual Clarification

There is no universally accepted definition of public sector due to differences in its concept and scope from country to country. However, one possible means of conceptualizing public sector would be to identify the functions that public sector is expected to perform. The functioning of a public sector enterprise depends on its sound and efficient organization and the form of an organization has an important bearing on the success and continuity of the enterprise [4]. Public Sector is the part of the economy concerned with providing basic services. The composition of the public sector varies by country, but in most countries the public sector includes such services as the police, military, public roads, public transit, primary education and healthcare for the poor. The public sector might provide services that non-payer cannot be excluded from (such as street lighting), services which benefit all of society rather than just the individual who uses the service (such as public education), and services that encourage equal opportunity (Investor words). Most precisely, the public sector can be defined as a productive entity or organization, which is owned and/ or controlled by Public Authorities and whose output is Marketed. The public sector refers to all organizations that exist as part of government machinery for implementing policy decisions and delivering services that are of value to citizens. It is a mandatory institution under the Nigerian Constitution of 1999 [5]. Chapter VI of the Constitution, Executive, Part 1 (D) and Part II (C) provides for a public service at the federal and state levels of government. The Public Sector in Nigeria is made up of the following: (1) The Civil Service, which is often referred to as the core service and is composed of line ministries and extra-ministerial agencies; and (2) The Public Bureaucracy, which is composed of the enlarged public service, including the following: (a) Services of the

state and national assemblies; (b) The judiciary; (c) The armed forces; (d) The police and other security agencies; (e) Paramilitary services (immigration, customs, prisons, etc.); (f) 'Parastatals' and agencies including social service, commercially oriented agencies, regulatory agencies, educational institutions, research institutes, etc. [5].

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

Public sector is built up to execute the policy of the legislature so as to empower the administration to achieve its political, financial and social objectives. In the process of the public servants performing this executive function, they are expected to be efficient and effective in the course of discharging their responsibilities. Their performance which is expressed in terms of quantity of goods and services goes a long way to determining the economic growth and development of a nation state which is measured by gross domestic product index (GDP-I). Productivity is the relationship between the output generated by a production or service system and the input provided to create this output. This productivity is defined as the efficient use of resources-labor, capital, land, material, materials, energy, and information-in the production of various goods and service [6]. There are three fundamental purposes why public sector productivity is very essential. First, public sector is a major employer. Second, the public sector is a major provider of services in the economy, particularly business services (affecting cost of inputs) and social services (affecting labor quality). Third, the public sector is a consumer of tax resources. Changes in public sector productivity may have significant implication for the economy [7]. When we talk about higher productivity, we are indeed saying that the same amounts of resources are utilized to get or secure greater output in terms of volume and quantity. This higher productivity is often sine qua non to effective performance which is majorly predicated on many factors ranging from top management support, committed personnel at all levels, a performance measurement system, employee training, reward structures, community involvement and feedback to correction of budget- management decisions. It is thus important to build up capacities for productivity improvement [8]. In fact, productivity is one of the many ways in which performance may be measured and defined [9].

As earlier mentioned above, reward structure is one of the significant way of determining the level of efficiency of staff in the public sector in any developing and developed economies. The only difference between the developing and developed economies in terms of income and its effects on staff performance is the level of its degree. The term Income refers to the total money value of the flow of net income received or accrued by all households [10]. Hence, labor income, or wages simply mean income earned from work, whether in the form of wages or salaries [11].

### Methodology

#### Relationship between employee wages and labor productivity in the public sector: Theoretical perspective

The poor performance of the public sector of Nigerian economy is also shown in the pattern of income distribution. Recent experiences

have increased the concern of most Nigerians over the overall effect of performance of the economy on the generality of the population. Particularly glaring is the distribution of income that has been so biased in favour of a tiny segment of Nigerian society.

Income distribution has favoured the most parasitical sections of the population with the immediate effect of undermining the productivity of the majority of the population [12]. In Nigeria, salaries and wages are below sustenance level and most of the workers in the country cannot take care of their basic needs from their emolument [13]. This development tends to de-motivate the public employees from putting in their best in the course of producing goods and services. Thus effectiveness and productivity are not opposite but they should be seen as mutually complementary [14].

On this issue of the relationship between employees' wages, performance and productivity, several scholars have carried out series of studies on what makes public servants less committed in their responsibilities. It is essential to say that the low income paid to public servant is considered as the minimum wage that an average employee is paid for their productivity activities. A minimum wage is the lowest hourly, daily or monthly remuneration that employers may legally pay to workers. Equivalently, it is the lowest wage at which workers may sell their labor.

Akintoye [15] asserts that money remains the most significant motivational strategy. According to Frederick Taylor's research, people worked purely for money. Taylor felt that money was the way to motivate workers to their fullest capacities [16]. Frederick Taylor and his scientific management associate described money as the most important factor in motivating the industrial workers to achieve greater productivity. Taylor advocated the establishment of incentive wage systems as a means of stimulating workers to higher performance, commitment, and eventually satisfaction. Money possesses significant motivating power in as much as it symbolizes intangible goals like security, power, prestige, and a feeling of accomplishment and success. Sinclair et al. [17] demonstrates the motivational power of money through the process of job choice. He explains that money has the power to attract, retain, and motivate individuals towards higher performance.

Income paid to workers is in fact an important motivator in every organization (both private and public sectors). The labor performance is influenced by both financial and non-financial incentives. The main motivating factors for employees aside from having good job training, cordial relationship with colleagues and manager is appreciable income. The main discouraging factor aside from unimpressive working conditions is the payment of low income to employees [18]. Study done by Dieleman et al. [18] was supported by Azman et al. [19] where money acts as a moderating variable in the relationship between income distribution and pay satisfaction in the studied organization. According to Tella, Ayeni and Popoola [20], motivation is a basic psychological problem. Bernard in Stoner et al. and Tella et al. [20] accords due recognition to the needs of workers saying that, the ultimate test of organizational success is its ability to create values sufficient to compensate for the burdens imposed upon resources contributed.

According to Abraham Maslow's Hierarchy of Needs published in 1943 under the title "A Theory of Human Motivation" in a periodical called Psychological Review, Maslow's view is that workers' needs should be met to enhance steady and reliable performance among workers. To him, contributing to the workers' well-being by organizations in terms of rewards that will match with their physiological needs such

as supplying food, water, shelter, and clothing, would ginger them at workplace. Without a payoff, the system breaks down, and the strategy –implementer is left with the unworkable options of barking orders or pleading for compliance [21]. One of the 14 principles of Henri Fayol, in his book titled "The Administrative Principles Perspective" is that the pay received by employees must be fair and satisfactory to both them and the firm. Pay should be in proportion to personal performance, but employees' general welfare must not be threatened by unfair incentive payment schemes.

According to Adam Smith [22] in "The Wealth of Nations", the wages paid to workers had to be enough to allow them to live and to support their families. Adam Smith came up with a theory known as "Wage Fund Theory" which postulated that wealthy persons have funds of surplus wealth, as a result of their savings wages are paid out of these funds. This fund could be utilized for employing laborers for work. If the fund was large, wages would be high if it was small, wages would be low, just enough for the subsistence. Thus, the size of the fund determined the demand for labor and the wages that could be paid. Smith describes how the wages of labor are dictated primarily by the competition among laborers and masters. When laborers bid against one another for limited opportunities for employment, the wages of labor collectively fall, whereas when employers compete against one another for limited supplies of labor, the wages of labor collectively rise.

Smith's view was supported by David Richardo [23], the English classical economists, who propounded the "Subsistence Theory of Wages". Subsistence Theory states that "The laborers are paid to enable them to subsist and perpetuate the race without increase or diminution". This theory is also known as "Iron Law of Wages". According to this theory, if the wages fall below the subsistence level, the number of workers would decrease as many of them would die of hunger, disease, malnutrition etc. This would make the wage rates go up as labor will become scarce. However, if the workers are paid more than the subsistence wages, they would marry and procreate. This would expand their number and cut down the rate of wages.

Since employee wages cannot be separated from their performance at work for it tends to form bulk of job satisfaction, John Davidson who propounded the "Bargaining Theory of Wages" suggested that wages should be determined by the relative bargaining power of workers or trade unions and of employers. According to Davidson, when a trade union is involved, monetary benefits, incentives, job differentials etc. tend to be determined by the relative strength of the organization and the trade.

Productivity in an organization can in principle be determined or influenced by labor management relations, social and psychological conditions of works, and adequate wage incentives given to workers. Although labor productivity is rarely measured directly, however, it can be inferred from changes in employees' attitude and behavior such as organizational commitment, organizational citizenship and job satisfaction [24]. There is this strong argument that public sector organizations do not have strong financial resources for rewarding their employees as private organizations do, because the municipal economy limits financial rewarding [25]. However in spite of the limitations concerning finance, the public sector has a clear need to develop its appraisal, reward and recognition schemes, along with other motivational influences. It is significant to say that this ensures that employee's targets are consistent with organizational and stakeholder objectives [22]. An intrinsically motivated individual will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her [26]. Good remuneration has been

found over the years to be one of the policies the organization can adopt to increase their workers performance and thereby increase the organizations productivity.

### **Any rationale for paying public servant low income by Nigerian government?**

The issue of low income paid to workers has really generated a strong argument and counter –argument on the part of government, labor and workers. Labor leaders and Nigerian workers are reactive to the income paid to them for the service rendered to the government. Recent reports in the media detailing the extensive resistance of public workers shows the level of their dissatisfaction to the amount received as wages at the end of the month. On the part of the government, the state is financially incapacitated to pay the huge amount of wages requested by labor since the public sector organizations are considered as the highest employers of labor. The total number of staff employed by both the state and federal governments into the various public organizations as at 2012 was 2,602,000 [13]. Rapid public sector recruitment under military administrations had resulted in an oversized and under skilled work force in which employees often did not have the appropriate technical skills needed for their assignments [27].

From the figure above, it shows that the number of people employed by government is indeed high. If the government should continue to abide with the demand of labor union and public servants, other areas of the economy are likely to suffer. Another argument of the government is that public sector workers are redundant in their offices. This view is predicated on the fact that public workers are more than the required jobs. Interestingly to say, that many people who came into the public sector did so because of its secured tenure and soft conditions of service. It is also equally true that many of them lack commitment to efficiency, effectiveness and excellence which the performance of civil service job demands. For high productivity to be realized; accountability, transparency, honesty, excellence, due process and rule of law and quality service delivery are essential etiquettes that must be found in public servants. A few years ago, the Ayida Panel, which was instituted to review past Public Service reforms in Nigeria with a view to proffering measures of further reinvigorating the service, identified the aforementioned as major ills of the Service.

However, on the part of labor, this argument is not tenable since political office holders are highly remunerated from the meager revenue generated by the government. Labor's posited that one of the responsibilities of the government towards its citizens is to ensure the welfare of its citizens. This constitutional view of government's responsibility towards labor as succinctly argued by labor should not call for academic or intellectual debates since that is one of the reasons for establishing the state. The Nigerian constitution as captured in section 14(b) of the 1999 constitution which states that "the security and welfare of the people shall be the primary purpose of government." The argument of labor is that wages and salaries paid to public sector servants in Nigeria are not only low but that which cannot be considered as substantial to withstand the inflationary spiral affecting the Nigerian state. The most unfortunate thing is that the income received by workers continues to decline in real terms in the past two decades. The experience of Nigerian workers during the oil boom period of the 1970s was quite impressive because the real wages only declined on average of 14 per cent during the period 1970-1992 and 34 per cent during the 1980s. This decline was generated by high rates of inflation that the economy was experiencing at that period. Trade unions in Nigeria (like their counterparts in other parts of the world) are the major bodies

that represent the workers in Nigeria in such matters affecting them on wage increase and other benefits. These organs, the Nigeria Labor Congress (NLC) and the Trade Union Congress (TUC) have had a long running battle with the government on the subject.

On the part of the workers, there is no motivation behind why there ought to be wide contrasts in the wages and compensations paid to open hirelings and private workers. To the workers the governments have no fundamental reasons for not increasing their remuneration since this action would go a long way to reducing the disparity in the income distribution between the two sectors. Public servants are the least paid group of workers in Nigeria. Wages in private manufacturing sector are, for example, much higher than those in the public sector. This wide differential pay should be addressed by the government. Another argument on the part of the public servant is that the salary they receive is often responsible for their poverty. To the public servant, government job should be a wealth-influencer rather than poverty-influencer. Indeed, there could be substance in this view presented by the public servants, in the sense that most of them find it difficult to feed themselves, owe property or take care of the financial needs of their families while in service or after they have retired. According to the National Bureau of Statistics, over 60.9% (or 99,284,512 Nigerians) Nigerians have been living in poverty since 2004. Nigerians live on less than \$1(160) a day. Though problematic, Nigeria's minimum wage law provides this standard of living: #600/day=#18000/month=#216,000/year.

### **Low income as a de-motivational variable to high productivity in Nigerian public sector**

Low income is not limited to wages and salaries, it involves total emolument such as other incentives like transportation, housing, health, entertainment, feeding, educational allowances and tax rebate given to staff of an organization on either weekly or monthly or yearly basis. Diminishing productivity takes different stages in the public sector organizations. The remuneration of low income to workers in the public sector has psychological, economic and social implications on their attitudes towards work in a workplace.

### **Psychological implication**

The psychological de-motivation of low income on public servants is:

**Lateness to work:** The implication of low income on productivity is often depicted in the attitude of public workers towards work. They sometimes perceive rules and order guiding work ethics in the public service as antithetical to their progress. Lateness of workers to work may not have a devastating effect on performance in the short run but can be more pronounced in the long run. One of the major challenges facing personnel managers in the public service is the complexity of controlling workers in the public sector. Lateness of workers is sometimes predicated on their inability to get the right cab to office since some of the might not be able to afford this. Unfortunately the unavailability of staff buses or existence of limited buses has actually contributed to lateness. According to Governor Wada of Kogi State, for productivity to be realized, available resources must be granted to workers. In a symposium titled "Transforming the economy, through productivity improvement initiatives," he assured the workers by saying "We will provide incentives, such as promotions, increased fringe benefits and enhance security of tenure," he said.

**Loafing at work:** According to American Heritage Dictionary of the English Language [28], to loaf simply means to pass time at leisure; to be idle. Workers in the public sector may get to work early and still

decide to slide down productivity by gallivanting from one office to the other out of frustration. Thus, the time that would have been spent on doing tangible work in the office is now dissipated on intangible things such as gossiping and unproductive discussion. The contrary is what exist in the private organization where reasonable income is paid.

**Absenteeism at work:** Absenteeism among public workers is sometimes orchestrated by depression. National Mental Health Association [29] observed that depression interferes with the ability to work, sleep, eat, study enjoy activities. Depression can affect anyone irrespective of age [30]. Some decide not to go work because of the depression resulting from low income paid to them by their organization. To perfect this act of absenteeism they tend to pretend to be sick at home. Hence, they apply for sick leave. Since some of the workers are not on ground to do the job because of their financial challenges, the few workers available are overburdened. This further heightened the diminishing level of productivity.

**Buckpassing among workers:** Buck passing is the act of attributing another person or group with responsibility for one's own actions. To shift blame from oneself to another person: "Passing the buck is a way of life in large bureaucracies" [31]. Among the public workers particularly the top ranking bureaucrats it has become a tradition for them to avoid work by shifting the bulk of their responsibilities on subordinate staff. Some of them build their defence on inadequate remuneration paid to them. Since the subordinate workers lack the required experience, knowledge, understanding and skill that it entails, their contribution affects the general productivity.

**Team spirit is frustrated:** One of the most challenging aspects of low income is that it turns some the workers into parasites. Rather than boosting their team spirit it destroys their morale by making them to resist team ideas and cooperation. Four prominent roles performed by leaders: knowledge building, team building, stake holders liaison and standard upholders [32]. Knowledge sharing in a team is not automatic; the team's leader has the potential to strongly influence the extent of knowledge sharing [33]. In a situation whereby every individual avoids cooperating with others workers, the public sector will not be able to secure its organizational goals. As noted by Ajayi, "the social cohesiveness, unity and team maintenance in an organization has (sic) become part of the functions of contemporary managers who want to succeed.

### **Economic implication of low income remuneration**

Diminishing productivity can be influenced by high level of corruption such as bribery, pilferage of organization's production materials, and misuse of government property in a counter-productive manner, vandalization of production materials and abandonment of unfinished goods and services by de-motivated and infuriated workers.

It is estimated that about N8 trillion of Nigeria's common wealth derived mainly from its main source of revenue oil, has been frittered away by people in government in the past 13 years. This stupendous volume of unchecked stealing by public servants and political office holders has contributed significantly in impoverishing a larger percentage of the population [34]. According to Femi Falana as reported in Daily Post [35], "Public infrastructures are in a state of disrepair while the funds budgeted for maintenance is carted away into accounts overseas. The culture of corruption spreads virtually to every aspect of national life". The bureaucrats, particularly those at the top echelon in the public sector were taught the rudiment of stealing by the political office holders.

**Industrial conflict:** Aside from the earlier mentioned corruption variables that slide down productivity in Nigerian public sector, another fundamental factor is persistent industrial conflict which is often generated by employers' grievances on low income remuneration. Industrial conflict can take many forms, including strikes, working to rule, withholding effort, shirking, and more. The endemic nature of conflict in human grouping has been traced to the pursuit of divergent interests, goals and aspirations by individuals and/ or groups in defined social and physical environment [36]. Akintade et al. [37] maintained that industrial disputes occurred as a result of non-realization of worker's aims and aspirations. Such disputes are then expressed in many ways such as strike actions, lock-out, go-slow, work-to-rule and overtime ban according to Yesufu [38]. Though conflict is generally perceived as something devastating, abnormal, dysfunctional and detestable, yet it could be a precursor of positive change if constructively handled [39,40]. The industrial relations statistics of Nigeria was computed in 2006 by CBN. Between 1970-1980, number trade disputes (1297), work stoppages (655), workers involved (343,359), Man-day lost (In terms of productivity), (2,819,563). Between 1981-1990, number of trade dispute (519), work stoppages (389), workers involved (735,405), Man-day lost (4,018,673). Between 1991-2000, No. of trade disputes (1007), work stoppages (607), workers involved (3,921,906), Man-day lost (940,861). Between 2001-2006, No. of trade disputes (603), work stoppages (1501), workers involved (2,199,631), Man-day lost (2,446,055). Most of the industrial conflicts are income-influenced.

**High workers turn over:** One of the most damaging effects of staff de-motivation resulting from low income is that it could propel workers to abandon their work for a better offer at the most crucial time. The challenge of high turnover of workers is that it slows down and decreases production in an organization. The more challenging aspect is how to secure qualified and experienced hands that can perform similar tasks being performed by the resigning workers.

**Office trading by public servants:** The economic effects of low income are often discovered in the survival strategies adopted by employees of the public organizations. Because of the meager income remunerated to government workers, some of them have been compelled to engage in office trading. Thus the time which would have been utilized for their official jobs are now used for something that will fetch them personal wealth. Some public officials may turn to teaching, consulting for development agencies or "moonlighting" in private practices, while other prefer to concentrate their activities on interventions – especially capacity building projects - that benefit from donor funded per diems and allowances. The role of the Public Servant is to assist the Government of Nigeria to provide for peace, order and good government. The Constitution of Nigeria and the principles of responsible government provide the foundation for Public Service roles, responsibilities and values. The democratic mission of the Public Service is to assist Ministers, under law, to serve the public interest. According to the Nigeria civil service, public servants shall be guided in their work and their professional conduct by a balanced framework of public service values: democratic, professional, ethical and people values.

### **Palliative measures for reducing the effects of low income on public workers**

If the government is highly interested in improving productivity in the public sector, the following measures should be taken to correct the situation so that the public service workers will be willing to put in their best towards the responsibility given to them. Although, there

were several reforms made by previous governments to increase the worth of public servants, the most alarming challenge has often been in the area of implementation or execution. Some of the major causes of the failure of wage and salary reforms of the past are over-politicization of the policy, systemic breakdown, distrust and suspicion among the political gladiators and labor representatives, discontinuity, corruption, betrayal of political leaders as well as bureaucratic bottleneck.

**Control of inflation:** Inflation is a persistent and appreciable rise in the general level of price [41]. Inflation result in arbitrary redistribution of wealth favoring businessmen and debts, and hurting consumers, creditors, petty shop-keepers, small investors and fixed income earners. This lowers the public morale. The ethical standards and the public morale fall to miserably low levels during the period of hyper-inflation. The hardest hit is the person who receives fixed income, usually called the middle class. Nigeria's inflation rate inched upwards to 12.90 percent in June 2012 (DLM Research: 2012). The government should minimize the persistent rising costs of accommodation, food stuff, medical, education, transportation, communication and electricity to enable the public workers to have certain amount of their salaries to be saved for future needs.

**Provision of incentives:** Organizations have long been conceived as systems of equilibrium in which people contribute their effort in return for inducements from the organization [42-44]. The public firm should maximize social welfare, which is defined as the sum of utilities of all workers in the economy [23]. Organizational incentives refer to both the reason for staff to join an organization, and the way an organization rewards and punishes its staff. Although the optimal design for financial incentives is hard to specify in general, the evidence suggests compensation systems that offer low-powered incentive pay are most effective for rewarding public service [45-47]. Public services must be able to pay enough to hire the most positive workers and retain the highest output workers [48-51]. To enable public servants in the public organization not to feel the low income, the government should be willing to increase the incentives given to them so that the enthusiasm to work will increase. Incentives such as indirect direct benefits ranging from good and encouraging pension scheme, illness/health/life insurance, schemes, allowances (clothing, housing, transportation, career development, meal etc), subsidies and gain sharing should made available to staff at least cost or free. In addition, the government should be able to give education grant that will enable them to pursue their education. When educational grant is given to public servant it reduces them of the financial burden, thereby enabling them to have expended their income on something else. In fact the education of the children of the public servant can as well be catered for. If this incentive is put in place, the clamor for increase income will definitely subside.

**Tax rebate:** Reducing inequality and poverty, and promoting equity, are important macro-economic objectives. The widening income gap between the rich and poor has facilitated and prompted the need to understand the causes of relative inequality and poverty, and to construct suitable policies to reduce poverty and narrow the income gap. One of the ways of correcting this is by cutting back the tax expenditures that benefit mainly high-income groups. Tax and transfer systems play a key role in lowering income negativity. Aside from this, the government wage policy should cover both the private and private sectors. Governments can intervene to promote equity, and reduce inequality and poverty, through the tax and benefits system. This means employing a *progressive* tax and benefits system which takes proportionately more tax from those on higher levels of

income, and redistributes welfare benefits to those on lower incomes. By reducing the tax paid by low-income earners is another source of palliative measure.

**Regular promotion and annual increment to staff:** Past research has shown that low productivity is recorded in almost all public sector organizations [32,52,53]. Findings from other studies do reveal that the low productivity associated with Nigeria's Public Servants could be raised if they are provided with some financial incentives [17]. The advancement of an employee from one job position to another job position that has a higher salary range, a higher level job title, and, often, more a higher level job responsibilities, is called a promotion. Interestingly to say that another way of creating palliative measure for the low income earners in the public organization is by the granting of promotion based on merit to enable them to perform more effectively and efficiently. The public servants should be able to experience annual increment, which is a sum of money within a salary scale by which salary is increased annually. The fundamental pay and yearly wage paid to staff ought to be increased by the administration.

**The introduction of performance-related pay:** Financial incentives (and penalties) could also have desirable consequences for the retention of high achievers and the turnover of low achievers over time. The essence of performance related pay is to appreciate the efforts of those public servants that are committed to increasing productivity so that those that are not performing well would be influenced to improve on their performances. The central reasons for performance related pay must surely be that; it acts as a motivator for public servants in the public sector, it contributes to overall improvements in productivity, and it gives greater power to managers and weaken trade union influence in bargaining and representation of staff. To assist the workers, the Ministry of Labor and Productivity should be able to apply the following means in the process of applying performance related pay: Piecework (a price is paid for each unit of output); Payment by results (bonus earning should be based on quantity or output produced by individual); Merit pay (bonus should be hinged on general assessment of employees contributions to performance); Competence based pay (reward should be influenced by the ability of the workers to apply their professional fiats to make suggestions that will raise the productivity level) and Profit related pay (profit sharing should be based on individuals input towards productivity. The higher a worker has contributed to profit, the higher his/her the profit allotted to him or her).

## Conclusion

The function of governance is to ensure that an organization attain its overall objective, purpose, goal and also secures its intended outcomes for the citizens through effective, efficient and ethical conduct. Every organization in the public sector has its own purpose for its establishment. The fundamental purpose of creating public sector organizations is to provide good quality services to citizens at low and acceptable cost. For any government to exhibit good governance, it is expedient that it exhibits selflessness, integrity, objectivity, accountability, openness, adherence to constitutional stipulation and rule of law, assurance of procedural stability, affection towards workers through motivation and sound leadership qualities.

The public sector's inefficiency is not limited to low income as it were. There are other central factors that can be responsible for low productivity such as:

- (1) Colonial, out dated administrative machinery

- (2) Poor capacity of the majority of civil servants, sometimes to the point of illiteracy
- (3) Certificate forgery to gain entry and get promotions
- (4) Age falsification to remain in service beyond the stipulated period/ age
- (5) Corruption
- (6) Policy reversals
- (7) Primordial considerations like ethnicity at the expense of merit, etc.

The Nigerian public sector ever since the country's independence from Britain in 1960 has been grappling with weak governance structure, red-tapism, weak accountability, low professional standards, waste and corruption, poor productivity, and lack of control, redundancy and over-bloated staff structure [54]. United Nations cited in Organisation for Economic Corporation and Development, United Nations World Bank [55-58]. Successive governments in Nigeria have established various reform measures with the main aim of improving the efficiency and effectiveness of the public service. Unfortunately, the Nigerian public service has remained weak, inefficient and incapable of reforming itself and the rest of the economy. A plausible reason for all this relates to the endemic nature of corruption and rent-seeking opportunities, improper incentive structures, and lack of political will to implement 'good' reform measures.

The major preoccupation of the on-going government reforms should center on the restoration of professionalism within the civil service in order to ensure effective service delivery since the public sector organizations set up by the government are often used as indexes for measuring good governance in a nation state, be it developed or developing. The higher the Gross Domestic Product (GDP) [58-60], the more economically sound a nation is. To enable the GDP to continue to improve, the public sector is expected to improve on its performances and productivity. This will be achieved when workers are motivated with reasonable income similar to what is obtainable in private sector and other nations of the world.

However, for the government to be able to restructure the income of public servants equitable to what is obtainable in other part of the world, there is need to reduce the size of the civil service to enable the governments to sustain and finance a smaller and better paid civil service over time. An efficiency-based incentive scheme that links reward to performance may provide strong motivation. Incessant Political interference, which has seriously undermined the credibility and confidence of the public service in the design and implementation of government policy, should be minimized.

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