

## ***An Appraisal of the Impact of Economic Recession on Management of Public Tertiary Institutions in South-South Nigeria***

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### **Abstract**

*Using descriptive survey, the study carried out an appraisal of the impact of economic recession on management of public tertiary institutions in South-South, Nigeria. The population of the study was 146,834 academic and non-academic staff in all the 44 public tertiary institutions in South-South Nigeria. A sample of 1,650 academic and non-academic staff was selected for the study using stratified and purposive random sampling techniques. The instrument for data collection was Economic Recession Appraisal and Management of Tertiary Institutions Questionnaire (ERAMTIQ) with 10 items on the two variables of the study. The instrument was validated and trial tested on 30 staff using Cronbach Alpha statistics and it yielded a reliability coefficient of 0.87. Data collected were analyzed using mean and standard deviation scores to answer the research questions. Chi-square was used to test the hypotheses at 0.05 level of significance. Findings of the study showed that economic recession has significant negative impact on staff motivation and payment of staff salaries in public tertiary institutions. The study recommended, among others, that the management of public tertiary institutions should strategize alternative ways of raising funds for the provision of adequate staff motivation in the face of economic recession.*

**Keywords:** Economic, recession, staff, motivation, salaries, management

### **Introduction**

Management of tertiary institutions seems to receive considerable attention across the globe. This may be as a result of the yearning aspirations by many nations to achieve national development. The national development of any nation depends on the effectiveness of higher institutions domiciled in such nations. Ekundayo and Ajayi (2009) opine that tertiary institutions play a crucial role in the supply of high level manpower for the socio-political and economic development of a nation. They educate future leaders and develop the high-level technical capacities that underpin economic growth and development. Tertiary institutions are higher institutions of learning after secondary

institutions of learning. They are unique institutions in terms of the levels and functions of the educational experience which is differentiated from others in terms of research; its managers are designated as Provost, Rector, and Vice Chancellors (Romina, 2013).

The objectives of higher institutions as outlined by Federal Republic of Nigeria (FRN, 2014:34) are: to contribute to national development through high level manpower training, to develop and inculcate proper values for the survival of the individual and the society, to develop the intellectual capabilities of the individual to understand and appreciate their local and external environment, among others. The realization of these objectives largely depends on effective management of tertiary institutions. Management, according to Akpan (2011), is goal-achievement oriented and involves interrelated activities of planning, organizing, leading and controlling. Terry (2013) sees management of tertiary institutions as the art and skill of getting things done through others to achieve the objectives of tertiary institutions. Terry further opines that management is a distinct process consisting of planning, organizing and controlling activities performed to determine and accomplish objectives by the use of people and resources. This means that to succeed in the management of tertiary institutions, resources must be effectively harnessed and managed. Resources in tertiary institutions refer to financial, human and material resources (Bua, 2020). These resources must be made available sufficiently and properly harnessed to meet the yearnings, aspirations and the expected outcome of the tertiary institutions.

Sadly, with the unfortunate effect of recession, key sectors in the country like the educational sector have suffered an obvious shortfall in the availability of resources. This seems to affect effective management of public tertiary institutions in Nigeria, especially in South-South Nigeria. Economic recession is a period when sectors experience low income generation with high spending and difficult investment. Osalor (2016) describes economic recession as decline in industrial production, employment, real income and wholesale-retail trade.

During the period of economic recession, firms lay off workers due to reduced income to maintain its employees, low patronage to business, high rate of inflation in which the value of money falls; government is constrained from embarking on infrastructural development; and the purchasing power of households and businesses are affected. Asia-Europe Foundation (2010) argues that the impact of economic recession on development of higher education institutions is that it hampers job prospects of graduates, reduces funding for education (government/private sector/households); loss of investments of some universities, near bankruptcy of providers of students' loans and scholarships as well as possible decline in aid to education by bilateral and multilateral agencies. Specifically, students' support schemes, loans, grants and scholarship are often affected; staff welfare packages, salaries and development programmes tend to be underfunded during economic recession due to government's inability to deploy commensurate revenue. In public tertiary institutions in South-South Nigeria, economic recession seems to affect staff motivation and payment of staff salaries.

Staff motivation is the process and methods of caring for the staff and handling their matters in an organization like tertiary institutions. Mangal (2013) defines motivation as internal forces that ignite, propel, energize, arouse, direct, regulate and sustain behaviour towards attainment of the goals of an organization. Staff who are to be committed to work are supposed to be well motivated. Idikwu and Ivagher (2017) maintain that a well-motivated workforce is an asset to any institution. However, economic recession seems to have affected availability of financial and material resources for motivation of staff for effective management of tertiary institutions in Nigeria, South-South inclusive. Akpakwu (2012) opines that if people's needs are not met in relation to their job, it could lead to negative behaviour such as lateness, absenteeism, reduced productivity through increased waste of materials, money and time. Osakwe and Nwadiani (2018) note that staff in tertiary institutions had to contend with poor remuneration, decrepit work environment, zero incentives and disrespect as a result of economic recession. Ejiogu and Ogonor (2016) argue that staff who constitutes the workforce of educational institutions should be adequately motivated, properly taken care of by meeting their basic human needs which individual expects to satisfy not only outside but, more often than not, within their work organization.

More so, staff must be paid their salaries as and when due. However, economic recession seems to hamper effective payment of staff salaries in public tertiary institutions in South-South Nigeria. Payment of salaries constitutes one of the major and important aspects of motivating and enhancing workers' performance in organizations. Leghara and Mbah (2010) state that it is important that staff salaries are paid as this may impact their attitudes and behaviours positively. Regrettably, Bamigboye and Adeyemi (2016) aver that the recent economic crisis confronted by the Nigerian government has led to the non-payment of staff's salary for several months with resultant effects of staff's demoralization, incessant strikes, protests and school closures. This situation may slow down the pace of management of tertiary institutions in South-South Nigeria. School Software (2016) found the negative impact of economic recession on payment of staff salaries in education pointing out that many staff due to non-payment of salaries have been forced out of the education industry. These, among other effects, may present enormous challenges to the management of tertiary institutions in Nigeria. It is based on this background that the researchers are interested in appraising the impact of economic recession on management of public tertiary institutions in South-South Nigeria.

### **Statement of the problem**

The effective management of public institutions could be achieved if there are sufficient resources to motivate and pay staff salaries. However, management of public tertiary institutions seems to be affected by economic recession especially in the area of motivation and payment of staff salaries. It has been observed by the researchers that there is lack of staff motivation and payment of staff salaries in public tertiary institutions in South-South Nigeria. The observation by the researchers also shows that during economic recession staff had to contend with poor remuneration, decrepit working environment, zero incentives and disrespect. Some staff complain that they have not been paid salaries

for months, while others complain that where salaries are paid, they are paid in piecemeal. All these may demoralize many of the staff, thus leading to high attrition rates, constant brain drain, varying levels of professional commitment, lack of confidence and inability to improve institutional outcomes which may negatively affect management of tertiary institutions in South-South Nigeria. It is based on this problem that the researchers were prompted to carry out an appraisal of the impact of economic recession on management of public tertiary institutions in South-South Nigeria.

### **Purpose of the study**

The purpose of the study was to carry out an appraisal of the impact of economic recession on the management of public tertiary institutions in South-South Nigeria. Specifically, the study sought to:

1. establish the impact of economic recession on staff motivation in public tertiary institutions in South-South Nigeria.
2. determine the impact of economic recession on payment of staff salaries in public tertiary institutions in South-South Nigeria.

### **Research questions**

The following research questions guided the study:

1. What is the impact of economic recession on staff motivation in public tertiary institutions in South-South Nigeria?
2. What is the impact of economic recession on payment of staff salaries in public tertiary institutions in South-South Nigeria?

### **Hypotheses**

The following hypotheses were formulated and tested at 0.05 level of significance.

**Ho1:** Economic recession has no significant impact on staff motivation in public tertiary institutions in South-South Nigeria.

**Ho2:** Economic recession has no significant impact on payment of staff salaries in public tertiary institutions in South-South Nigeria.

### **Methodology**

The research design adopted for the study is descriptive survey design. Descriptive survey design is appropriate for this study because it involves construction of a research instrument used for assessing opinions of the participants in order to determine the situation that existed in the tertiary institutions based on the study (Emaikwu, 2015). The population of the study was 146,834 academic and non-academic staff in all the 44 public tertiary institutions in South-South Nigeria (Planning, Research and Statistics Department of the Federal Ministry of Education, 2019). A sample of 1,650 respondents out of the 35,131 academic and non-academic staff from 44 public tertiary institutions in South-South Nigeria was used for the study. Stratified and purposive sampling techniques were used to select the sample. The instrument for data collection was a questionnaire titled: "Economic Recession Appraisal and Management of Tertiary Institutions Questionnaire (ERAMTIQ)". It contained 10 items on the two variables of the study modelled on a four

(4) point rating scale of Strongly Agree (SA)=4; Agree (A)=3; Disagree (D)=2 and Strongly Disagree (SD)=1. The instrument was validated and trial tested on 30 staff using Cronbach Alpha statistics. The result yielded a reliability coefficient of 0.87. Data were analyzed using mean and standard deviation to answer the research questions. A mean score cut-off point of 2.50 was used as decision rule. This implies that any item with a mean score of 2.50 and above was regarded as agree while any item with a mean score of less than 2.50 was regarded as disagree. Chi-square was used to test the hypotheses at 0.05 level of significance.

### **Presentation of results**

**Research question 1:** What is the impact of economic recession on staff motivation in public tertiary institutions in South-South Nigeria?

**Table 1:** Mean scores and standard deviation on the impact of economic recession on staff motivation in public tertiary institutions in South-South Nigeria

<b>Item No.</b>	<b>Item Description</b>	<b>N</b>	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>	<b><math>\bar{x}</math></b>	<b><math>\delta</math></b>	<b>Decision</b>
1	Tertiary institutions hardly motivate their staff with prompt payment of salaries due to economic hardship.	1650	815	480	155	200	3.21	1.01	Agree
2	Staff motivation through provision of health care services is irregular due to economic difficulty.	1650	864	379	167	240	3.18	1.08	Agree
3	Many tertiary institutions do not regularly motivate their staff through training due to economic recession.	1650	620	672	84	290	2.99	1.09	Agree
4	As a result of economic recession staff motivation through conducive office accommodation is difficult in many tertiary institutions.	1650	704	572	84	290	3.02	1.05	Agree
5	Staff motivation through promotion is irregular as a result of economic recession.	1650	640	718	159	133	3.18	0.89	Agree
<b>Cluster mean and standard deviation</b>							<b>3.12</b>	<b>1.02</b>	<b>Agree</b>

Table 1 showed that item 1-5 have mean scores and standard deviation of 3.21 (1.01), 3.18 (1.08), 2.99 (1.09), 3.02 (1.05) and 3.18 (0.89) respectively. All the items were above the cut-off mean of 2.50. The item by item analysis indicated that all the respondents agreed that tertiary institutions hardly motivate their staff with prompt payment of salaries due to economic hardship. The respondents reiterated that staff motivation through provision of healthcare services is irregular due to economic difficulty. They further agreed that many tertiary institutions do not regularly motivate their staff through training due to economic recession. Some other respondents agreed that as a result of economic recession, staff motivation through conducive office accommodation is difficult in many tertiary institutions; and that staff motivation through promotion is irregular as a result of economic recession. This result showed the impact of economic recession on staff motivation in public tertiary institutions. The cluster mean of 3.12 and standard deviation of 1.02 were also above the cut-off mean of 2.50. This implied that economic recession has impact on staff motivation in public tertiary institutions in South-South, Nigeria.

**Research question 2:** What is the impact of economic recession on payment of staff salaries in public tertiary institutions in South-South Nigeria?

**Table 2:** Mean scores and standard deviation on the impact of economic recession on payment of staff salaries in public tertiary institutions in South-South Nigeria

Item No.	Item Description	N	SA	A	D	SD	$\bar{x}$	$\delta$	Decision
6	Staff salaries in tertiary institutions are delayed due to economic recession.	1650	739	611	142	157	3.22	0.93	Agree
7	Reduction in budget because of economic recession leads to poor payment of staff salaries in tertiary institutions.	1650	637	730	171	112	3.20	0.96	Agree
8	Economic recession compelled some tertiary institutions to withhold staff salaries for months.	1650	708	629	151	161	3.19	0.94	Agree
9	Some tertiary institutions pay half salaries as a result of the down turn of the economy.	1650	784	599	133	134	3.22	0.16	Agree

10	Even with economic recession tertiary institutions pay staff salaries.	1650	844	412	175	219	3.13	1.03	Agree
	<b>Cluster mean and standard deviation</b>						<b>3.19</b>	<b>0.98</b>	<b>Agree</b>

Table 2 showed that item 6-10 have mean scores and standard deviation of 3.22 (0.93), 3.20 (0.86), 3.19 (0.94), 3.22 (0.16) and 3.13 (1.03) respectively. All the items were above the cut-off mean of 2.50. The item by item analysis indicated that all the respondents agreed that staff salaries in tertiary institutions are delayed due to economic recession, reduction in budget because of economic recession leads to poor payment of staff salaries in tertiary institutions, and that economic recession compelled some tertiary institutions to withhold staff salaries for months. The respondents further agreed that some tertiary institutions pay half salaries as a result of the downturn of the economy while some respondents agreed that even with economic recession tertiary institutions pay staff salaries. This result showed the impact of economic recession on payment of staff salaries in public tertiary institutions. The cluster mean of 3.19 and standard deviation of 0.98 were also above the cut-off mean of 2.50. This implied that economic recession has impact on payment of staff salaries in public tertiary institutions in South-South, Nigeria.

**Ho1:** Economic recession has significant impact on staff motivation of public tertiary institutions in South-South, Nigeria.

**Table 3:** Chi-Square analysis on the impact of economic recession on staff motivation in public tertiary institutions in South-South Nigeria

Opinions	Observed Frequency	Expected Frequency	df	$\chi^2_{cal}$	P-Value	Decision
SA	864	437.5				
A	379	437.5				
D	167	437.5	3	897.831 <sup>a</sup>	0.00	Sig.
SD	240	437.5				
Total	1650					

Table 3 showed Chi-square ( $\chi^2$ ) calculated value of 897.831, p-value of 0.00 and 3 degree of freedom. Based on the result, the null hypothesis which states that there is no significant impact of economic recession on staff motivation in public tertiary institutions in South-South Nigeria is therefore rejected. This is because the p-value is less than the 0.05 level of significance. This result revealed that there is significant impact of economic recession on staff motivation in public tertiary institutions in South-South Nigeria.

**Ho2:** Economic recession has no significant impact on payment of staff salary in public tertiary institutions in South-South Nigeria.

**Table 4:** Chi-Square analysis on the impact of economic recession on payment of salary in public tertiary institutions in South-South Nigeria

<b>Opinions</b>	<b>Observed Frequency</b>	<b>Expected Frequency</b>	<b>df</b>	<b><math>\chi^2</math>cal</b>	<b>P-Value</b>	<b>Decision</b>
SA	864	437.5				
A	379	437.5				
D	167	437.5	3	897.831 <sup>a</sup>	0.00	Sig.
SD	240	437.5				
Total	1650					

Table 4 showed Chi-square ( $\chi^2$ ) calculated value of 897.831, p-value of 0.00 and 3 degree of freedom. Based on the result, the null hypothesis which states that there is no significant impact of economic recession on payment of staff salary in public tertiary institutions in South-South Nigeria is therefore rejected. This is as the p-value is less than the 0.05 level of significance. This result revealed that there is significant impact of economic recession on payment of staff salary in public tertiary institutions in South-South Nigeria.

### **Discussion of the findings**

The first finding of the study showed that economic recession has significant impact on staff motivation in public tertiary institutions in South-South Nigeria. This finding agreed with Osakwe and Nwadiani (2018) who noted that staff in tertiary institutions had to contend with poor remuneration, decrepit work environment, zero incentives and disrespect as a result of economic recession. Ejiogu and Ogonor (2016), in support of this finding, argued that staff who constitutes the workforce of educational institutions should be adequately motivated, properly taken care of by meeting their basic human needs which individuals expect to satisfy not only outside but, more often than not, within their work organization. Akpakwu (2012) opines that if people's needs are not met in relation to their job, it could lead to negative behaviour such as lateness, absenteeism, reduced productivity, through increased waste of materials, money and time.

The second finding of the study showed that economic recession has significant impact on payment of staff salaries in public tertiary institution in South-South Nigeria. This finding agreed with Bamigboye and Adeyemi (2016) who averred that the recent economic crisis confronted by the Nigerian government has led to the non-payment of staff's salary for several months with resultant effects of staff's demoralization, incessant strikes, protests and school closures. The finding also agreed with School Software (2016) which found negative impact of economic recession on payment of staff salaries in education, pointing out that many staff due to non-payment of salaries have been forced out of the education industry. If staff salaries are not paid, they may neglect their duties and this could negatively affect effective management of public tertiary institutions.

### **Conclusion**

The challenge of effective management of public tertiary institutions seems to continue aggravating due to economic recession which plagued every sector in Nigeria including

education. Public tertiary institutions in Nigeria especially those in South-South Nigeria have been observed to have ill-experience particularly in area of staff motivation and payment of staff salaries. From the findings of the study it was concluded that economic recession impact negatively on staff motivation and payment of staff salaries. While management of public tertiary institutions could be made better, the issue of economic recession must be addressed, else the objectives of public tertiary institutions in Nigeria particularly in South-South Nigeria may not be achieved.

### **Recommendations**

Based on the findings of the study, the following recommendations were made.

1. The management of public tertiary institutions in South-South should strategize alternative ways of raising funds for the provision of adequate staff motivation in the face of economic recession. This can be done through reinvestment of internally generated revenue in areas of agricultural business as well as engagement in other revenue-boosting ventures like public tertiary institutions' press, production of cosmetics and textile materials from related departments.

2. There should be timely, regular and adequate payment of staff salary in public tertiary institutions in South-South. In order to achieve this, there should be improved financial allocation to education, particularly tertiary education, so as to enable effective payment of staff salary amidst economic recession for effective management of public tertiary institutions in Nigeria.

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