

# Enhancing Effective Resources Utilization in Nigerian Public Universities Through New Public Management Strategy

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## Abstract

Universities are established to advance the frontier of knowledge. Effective resources utilization in Nigerian Public Universities has become necessary in order to realize the set objectives. This paper argues that New Public Management is a necessary strategy that should be adopted by Public Universities in order to enhance their resources utilization. Relying on secondary data, the paper highlighted the key principles of NPM strategy as well as the relevant areas it could be applied within public university system. This paper suggests for eradication of waste and increase in efficiency and accountability in the use of resources.

## Introduction

Effective resources utilization is necessary in the administration of tertiary institutions for the goals of higher education to be attained. The Nigerian Universities are part of tertiary institutions that provide higher education which is a very important instrument for facilitating the socio-economic and political development of a nation. The need to ensure equitable educational opportunities especially in developing countries has been highlighted since the Jomtien Conference on Education For All (EFA) in 1990. This international commitment to education stems from an understanding that education holds the key to individual and national development. This is to be realized through the improvement of the productive capacity of individuals, change of traditional attitudes, beliefs and practices that are inimical to human and national progress and its enlightenment of democratic values among citizens. Thus, the Nigerian National Policy on Education (2004, Revised) states that the government recognizes education as an instrument for excellence for effecting national development. It is also fundamental to note that education is a right in itself that every member of the human family is entitled to because of its potential benefits (Joel, 2014).

The 1999 Constitution of the Federal Republic of Nigeria as amended (section, 18) as part of the fundamental objectives and directive principles of state policy stated that: "Government shall direct its policy toward ensuring that there are equal and adequate educational opportunities at all levels. Government shall strive to eradicate illiteracy and to this end, government shall as and when practicable provide: Free, compulsory and universal primary education; Free university education; and Free adult literacy programme.

Education in general and particularly higher education serves two masters (Omole, 2011). It serves the individual and it serves the society. This means higher education provides the platform for personal and societal advancement in social, moral, economic, political, cultural and even technological areas of life. The advancement in various facets of life through higher education can only be possible through effective utilization of resources in the tertiary educational institutions. The Nigerian Universities form an integral part of these tertiary educational institutions.

The economic scarcity of resources in the face of numerous demands to be met is quiet obvious in Nigerian university administration. Owing to resources scarcity, there is need for effective and judicious utilization of the available ones in order to promote quality educational delivery and make positive impact on community development. There are strategies often adopted to enhance effective utilization of resources such as, Zero based budgeting, Planning Programming Budgeting System (PPBS) and a host of others. These strategies all aim at channeling resources to attain the pre-determined goal of university education.

The New Public Management (NPM) is also one of the strategies which can be useful in the areas of resources utilization in Nigerian universities. The New Public Management among other things aims at dismantling bureaucracy (delay and hindrances) of government and public institutions in order to enhance effective service delivery. It emphasizes less on hierarchy, and adoption of excessive rules but focuses on alternative strategies government could engage in to deliver quality services to the citizens by adopting private-sector-like principles. This paper therefore examines the adoption of NPM strategy in the Nigerian Public University administration.

### **Statement of the Problem**

The need for effective utilization of resources in Nigerian Public Universities cannot be over-emphasized. This is because these universities afford majority of Nigerian Youths who are the future leaders the platform to acquire higher education for national development. It is also important that the available resources be utilized in line with proper management and best practices to avoid wastage, and mismanagement.

Nigeria has one hundred and fifty three (153) universities made up of forty (40) Federal universities; Forty-five (45) States owned universities and sixty eight (68) private owned ones (Rasheed, 2017). And the number of the universities is on the increase. There are eighty-five (85) public universities; that is federal and state owned combined. The tertiary education system in Nigeria is going through series of challenges which ranges from lack of access to admission due to limited vacancies, over congested and overcrowded classrooms and laboratories to insufficient funding (Omole, 2011).

The challenge of funding rocking Nigerian Public Universities can be better appreciated by noting the meager budgetary allocation to the education sector. Education was allocated 6.1%, 5.4% and 7.04% in Nigerian annual budget in the year 2016, 2017 and 2018 respectively ([www.businessdayonline](http://www.businessdayonline)). This allocation grossly fell short of the United Nations Educational Scientific and Cultural Organization (UNESCO) benchmark of 26%. This development has put strain on the resources the education sector has to operate with and it underscores the need for effective utilization of the available resources through the strategy of New Public Management (NPM).

### **Objectives of the Paper**

The general objective of this paper is to examine New Public Management strategy in the utilization of resources in Nigerian Public Universities. The specific objectives are to:

- i. identify the key principles of NPM strategy;
- ii. examine the areas for applying NPM principles in university administration; and
- iii. highlight the merits of applying NPM strategy in University's resources administration.

### **Methodology**

This paper relied mainly on the use of secondary data. The presentation and analysis is descriptive as content analysis of books, journals and relevant internet information were applied.

### **Conceptual Clarification**

Under this sub-section, the concept of Resources Utilization and NPM will be examined.

### **Resources**

Resources can be described from different perspectives. Joel (2016) describes resources as assets which could be used to solve problems and improve the standard of living of people. The resources could be human and non-human. In economic term, they are referred to as factors of production – land, labour, capital and entrepreneur. They are needed by organizations or society to achieve its developmental aims and objectives.

Resources are the assets necessary for attaining educational objectives and effective teaching and learning processes at the school level. Teaching and learning do not take place in a vacuum but rather in a structured environment that requires the use of resources. Educational resources include human and non-human (material, physical and financial) resources (Abdulkareem, 2011).

In Nigerian Public Universities, variety of resources abounds. There are capital resources which constitute the money and equipment used in production. Capital is broadly defined as goods employed but not necessarily used up in the course of production, together with the money or credit which gives power to buy such goods (Ogunfowora, 1981). Besides capital resources, there are also labour resources. Labour is the physical and mental effort of human beings in a production for a reward. Labour can be skilled or unskilled. It is also referred to as the workforce of an organization. In university education, the labour force includes both academic and nonacademic staff.

According to Adeogun and Osifila (2008), financial resources are the monetary inputs available for and expended on the education system. The financial resources are used to mobilize and maintain the capital and labour resources. Resources utilization therefore referred to judicious management of human, material and financial asset of the universities in order to ensure maximum realization of the goals and benefits of higher education.

### **New Public Management (NPM)**

The population explosions and its pressure on public institutions, the dynamics of human needs and society, the inability of government to meet up the growing demands and challenges of the society, abysmal budget failures especially in developing countries and the strong need to curtail bureaucratic inefficiency and general government deficit all point to the fact that an effective approach need to be adopted through public administration in order to deliver services; this approach emerges in a form – New Public Management (NPM).

The term NPM came into use at the beginning of 1990 to describe public service reform in the UK and New Zealand as a conceptual device invented for the purposes of structuring discussion of changes in the organization and management of government (Mutiullah, 2014). The NPM has become a catchword in most countries of the world. It conjures up an organizational arrangement with a minimal government involvement; debureaucratization, decentralization, market orientation of public service, contracting out, privatization, performance management, etc. These features signify a marked contrast with the traditional model of administration, which embodies a dominant role of the government in the provision of services, hierarchical structure of organization, centralization and so forth.

Garson and Overman (1983) cited in Mutiullah (2014) sees NPM as an interdisciplinary study of the generic aspects of administration which deals with a blend of planning, organization and controlling functions of management with the management of human, financial, physical information and political resources. NPM emphasizes on proper management of available resources by public institutions in order to render services that meet the needs and demands of the citizens.

NPM is different in many ways from traditional public administration. Despite its tremendous appeal, traditional public administration all over the world failed to take cognizance of some vital environmental forces.

Accordingly, NPM emerged in response to a number of environmental forces which governments everywhere have faced in over two decades (Sarker and Pathak, 2000 cited in Mutiullah, 2014). First, large and expensive public sector put pressures to cut programmes and or increase efficiency. Second, there have been massive technological innovations over the years, particularly, the development of information technology. Third, the globalization of economy with increasing competition has become order of the day. Fourth, it has become inevitable to liberalize the economic sector following heavy burden being imposed upon the national bureaucracy as a result of mismanagement, corruption, inefficiency in resource management, bureaucratic bungling etc. More importantly increasing efficiency in resource management is also expected as economic recession and competition simply demand it. Fifth, in the competitive world, the people are demanding quality goods and services. They are now keen to compare services of all organizations.

Although there is no generally accepted definition of NPM but there appears to be consensus on the key tenets of it. Hood (1991) as cited in Mutiullah (2011:269) provided a list of the main doctrines of the NPM;

- i. Hands-on professional management of public organizations, i.e managers are provided with extreme autonomy to manage their organizations. This implies that university management is given extreme autonomy in the management of resources.
- ii. Explicit standards and measures of performance i.e, goals are well defined and performance targets set (later defined as performance indicators). This is also expected to enhance efficiency and ensure accountability.
- iii. Greater emphasis on output controls, i.e resources are directed to areas according to measured performance, because of the need to stress results rather than procedures.
- iv. Shift to disaggregation of units in public sector, i.e breaking up large corporatized units around products, funded separately and dealing with one another on an arms length basis.
- v. Shift to a greater competition in public sector, i.e move to term contracts and public tendering procedures as rivalry is always the key to lower costs and better standards.
- vi. Stress on greater discipline and parsimony in public sector resource use which means cutting direct costs, raising labour discipline, resisting union demands and limiting compliance costs to business.

In another similar perspective, Osborne and Gaebler (1992) put forward the following principles behind NPM strategy.

- (i) Catalytic government: steering rather than rowing;
- (ii) Community-owned government: empowering rather than serving;
- (iii) Competitive government: injecting competition in service delivery;
- (iv) Mission-driven government: transforming rule driven organizations;
- (v) Results-oriented government: funding outcomes, not inputs;
- (vi) Customer-driven government; meeting the needs of the customer, not the bureaucracy;
- (vii) Enterprising government: earning rather than spending;
- (viii) Anticipatory government: prevention rather than cure;
- (ix) Decentralized government: from hierarchy to participation and teamwork.

Furthermore, Joel (2014) identified the focal points of NPM as:

- (i) Delivery of goods and services to a complex and multi-faceted society;
- (ii) Involvement of private sector (firms and companies) in the production of goods and services but under the supervision and regulation of public sector (government institutions);
- (iii) Indirect involvement of government and direct involvement of private sector in service delivery through the neutralization of the debilitating effects of bureaucracy;
- (iv) The use of private sector and organized citizens to tackle societal challenges with government primarily setting the enabling environment. The initiation and application of Public Private

- Partnership (PPP) to create and maintain infrastructure as well as creating jobs to tackle unemployment in Nigeria is within the purview of NPM.
- (v) The use of society to solve societal problem by government through genuine participation in the formulation and implementation of policies by the community concerned also forms an aspect of NPM. For example, the involvement of youths in the community concerned to curb the menace of insecurity as against the conventional approach of using the government security agencies points at NPM practice.

In University administration, NPM advocate the use and participation of students and other stakeholders in the formulation and implementation of laws aimed at curbing vices like cultism, drug abuse, exam-malpractices and all forms of hooliganism as against exclusive management responsibilities.

Based on the views of Hood (1991) Osborne and Gaeber (1992), and Joel (2014) as pinpointed above, it could be summarily noted that NPM has two concepts of market and management. Market means competition which compels private companies to continuously search for improvement of products and services. The other concept is management which refers to a separate and distinct activity that brings together plans, people and technology to achieve desired results. Therefore, NPM in Nigeria Public universities seek the application of private sector like principles and practice in order to produce the desire output.

### Briefs on Nigerian Universities

The clamour for the establishment of a university in Nigeria by the nationalists led to the establishment of University College Ibadan (UCI) in 1948 to adequately cater for the need of higher education as the Yaba Higher College which was established in Lagos before then was a far cry from a University (Eneanya, 2015). Owing to population explosion and the need to offer relevant programmes in other field of human endeavour, University of Nigeria, Nsukka (UNN) and University of Lagos were later established in 1960 and 1962 respectively. As Nigeria continues to grow in population and structure where many states were created, the number of universities continued to increase. As at late 2017, Nigeria has 153 universities made up of Federal, State and Private owned universities. These universities aim at providing higher education. The National Policy of Education Section 5, subsection 32 (1981:22) as cited in (Eneanya 2015:207) aim at:

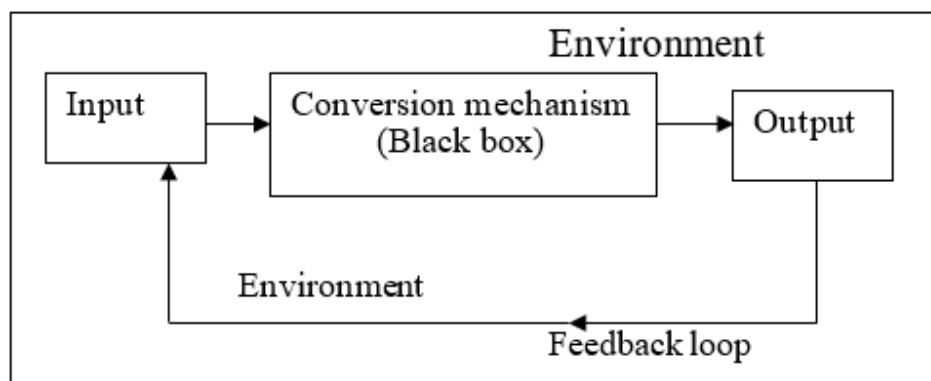
- (i) The acquisition, development and inculcation of the proper value-orientation for the survival of the individual and the society.
- (ii) The development of intellectual capacities of individuals to understand and appreciate their environment;
- (iii) The acquisition of both physical and intellectual skills which will enable individuals to develop into useful members of the community;
- (iv) The acquisition of an objective view of the local and external environment.

Higher educational institutions especially the universities are to pursue these goals through teaching, research, dissemination of existing and new information, the pursuit of service to the community and serving as a storehouse of knowledge.

### Theoretical Framework

This paper is guided by system theory as enunciated by David Easton (1965). The theory considers all elements in the whole organization as well as its component parts as illustrated in Figure 1.1 below:

Figure 1.1 System Theory



Source: David Easton (1965)

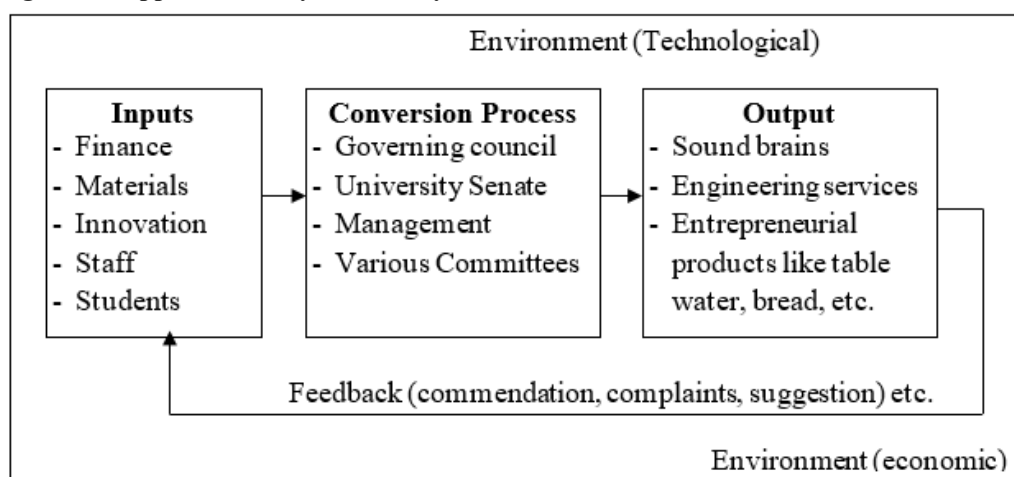
As reflected in Figure 1.1 above, system theory is made up of four components as:

- (i) **Input:** This comprises the forces generated from the environment that needs to keeps it functioning. This includes demands and support, which influence the political system. Input also includes resources such

- as manpower, money, materials, information and technological innovations.
- (ii) **Conversion Mechanism or Process:** This include various institutions in a political system that respond to the demands and supports from the environment, with a view to deciding on policies and implementing them. This component represents the decision making process or where values are authoritatively allocated in the society.
  - (iii) **Output:** This is the component that represents the final product or tangible results of the conversion process. It is the product of decision made which often reflects in production of goods and services.
  - (iv) **Environment:** This component combines all the conditions or circumstances in which the political system operates. This includes the political, economic, social, cultural and physical environment. The environment provides the resources needed by the political system as well as the constraints exerted on the system. The feed-back mechanism within the environment links the system output to its input. The response from the environment serves as fresh input and the cycle continues.

In application and relevance to this paper, the various public universities are considered as systems that require resources which need to be converted to products and services that meet the needs of the environment. The organization (University) environment is viewed as interdependent-each depends on the other for resource as illustrated in figure 1.2

**Figure 1.2 Application of system theory**



**Source:** Adopted from David Easton Political System (1965)

As shown in Figure 1.2, the organizations (universities) make use of resources to also produce resources and services through the conversion process after interacting with the environment. In a more concise manner, the application of the theory reflects thus:

**Input:** Financial resource is a major input in a university system. These financial resources can come from government allocations, donations from philanthropist, Non-governmental organizations (NGOs), Alumni Associations, etc. Financial resources can also come from internally generated revenue (IGR) accrued from entrepreneurial activities, staff and students also serve as input in the university system.

**Conversion process:** In this component, the university governing council, the university senate and various committees within the university system make policy and decisions that allocate resources and privileges. By so doing the financial resources along with the students are converted to output.

**Output:** The output as a component in this case can be interpreted to mean many things ranging from quality graduates (sound brains), quality entrepreneurial products and services like, table water, bread and other confectionaries, solar power and services, electrical, mechanical (workshop) services to quality legal services etc. The output is meant to meet needs and solve problem of the community (environment).

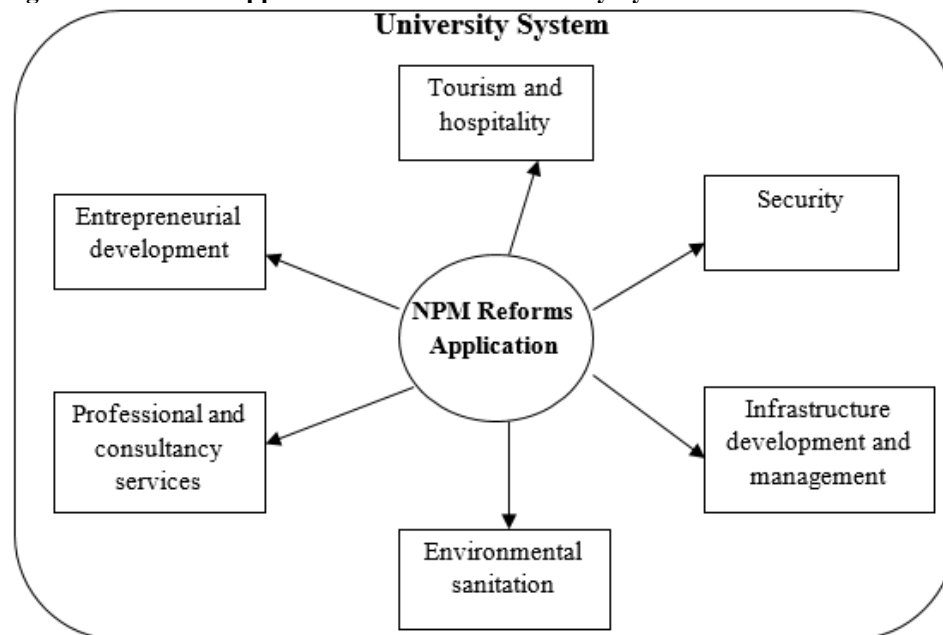
**Environment:** It is the domain of operation of the university as an organization. The university draws input from the environment and also releases output into the environment. The economic (price of goods and services) the social (ways of dressing and culture), technology (compliance with advanced ways of solving problems), political (the nature of politics) the entire environment combines to affect the operation of the university system. In real sense, the environment assesses the performance of the university system through communications, complaints and suggestions which are also channeled in as input through the feedback loop in to the university system. Hence, the system theory is used to reflect clearly the process of resource utilization and its importance in the realization of the goal of the university.

#### **Areas of Application of NPM in the University System**

The application of NPM in this section shall be examined in the light of the need for university system to avoid waste, increase internally generated revenue as well as promoting quality academic service delivery based on

accountability. The respective areas within the university system for the application of NPM can be deduced from Figure 1.3 below:

**Figure 1.3 Areas of Application of NPM in University System**



Source: Constructed by the Author.

The figure 1.3 above depicts areas which the university system where NPM reforms can be applied for effective utilization of resources. These areas include: Tourism and hospitality security, infrastructure development and management, environmental sanitation, professional and consultancy service, entrepreneurial development etc.

**Tourism and hospitality:** This sector creates opportunity for public universities to invest and manage resources. Guest houses and hotels can be built by the universities for their official use. This can take care of the university visitors and other guests thereby preventing the waste of financial resources to rent hotels or guest houses for those who come on visit. Similarly building and renting of amusement parks, recreational centres for internal and external patronage of customers can also be a means of enhancing revenue generation into the pool of university resources.

**Provision and maintenance of security:** This is another area where university expends resources. Instead of having the whole or bulk of security staff on the university payroll, efficient private security outfits could be engaged through contract to maintain the security of live and property on campus. When this is properly managed, it reduces the personnel overhead cost as well as effective accountability from the private security organization hired.

**Infrastructure Development and Management:** Infrastructure like students hostel blocks, sporting complex, shopping complex and business centres can be created through partnership with private estate developers who could run them and after an agreed period hand them over to the university authority depending on the form of public private partnership (PPP) entered into by the parties. This strategy helps public universities to develop and manage physical infrastructure with meager resources.

**Environmental Sanitation:** Maintaining hygienic environment in a university community could be very challenging and requires enormous human, financial and material resources to achieve such goal. However, the cost of actualizing this goal could be reduces and efficiency enhanced through outsourcing. This means a private cleaning company could be hired to maintain the sanitary standard of the campus under the supervision of a relevant unit or department of the university. Landscaping as well as physical beautification of campus could be handled along by such private company. In this way, the financial and material burden of having permanent personnel on the payroll of the university to carry out such function is removed off the university shoulder.

**Professional and Consultancy Services:** Public University in particular is made up of experts and professionals in various fields like engineering, law, accounting, etc. For example, motor mechanic workshops, solar power plates design and repairs, legal services unit, auditing services unit could be established with the aim of providing services to the university community as well as the general public. While being conscious of their corporate social responsibility a number of these services can be carefully planned to yield revenue to public universities where applicable.

**Entrepreneurial Development:** Entrepreneurial development centres of public universities can engage in business ventures such as production of bread, table water, snacks, direct farming (crops and livestock farming)

transport services within campus and production of household items that could be in need in the university environment. Engagement in these entrepreneurial activities will not only serve the need of inhabitant of the university community but also generate revenue for the system. Every public university can take advantage of the resources and need in its environment to enhance effective utilization of resources.

### Conclusion

Against the backdrop of dwindling resources allocation to public universities, NPM has become a dependable strategy to ensure that resources are not only harnessed and mobilized, but also utilized to ensure maximum realization of higher education goals. The universities that have keyed into this strategy could consolidate their gains. This is not to turn public universities to business centres. However, with deliberate plan by university managements, resources can be utilized through the application of NPM strategy in public universities while also keeping its vision and goals in focus.

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