International Journal of Trend in Scientific Research and Development (IJTSRD)
Volume 6 Issue 7, November-December 2022 Available Online: www.ijtsrd.com e-ISSN: 2456 – 6470

Governance, Leadership and Management Practices in Nigerian Public Sector: Ventilating a Recessed and Suffocating Economy

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ABSTRACT

The Nigeria's economy recession problem is not entirely as a result of slump in global oil prices but poor governance, bad leadership and mismanagement. Governance failure (closely linked to corruption, bad leadership and bad management are responsible for poor performance of government-owned businesses, institutions, parastatals, commissions and agencies over the years). In Nigeria, privatization comes to the heels due to the failure of government and its institutions, parastatals, commissions' agencies to live up to their responsibilities. The Nigeria's economy has been in a state of suffocation long before recession with privatization scheme palliative. Rather than government facing the challenges of inefficiency in public sector, government hurriedly came up with 'quick-fix' by adopting "privatization" and promulgated it with slogan like "government has no business doing business", "government does not create job", yet empirical evidence shows that it is obvious that all adopted 'quick fix' has failed, the paper concluded that reviving the public sector to eliminate inefficiency is possible with good governance, leadership, and management devoid of micromanaging and macromanaging behaviour and these are the most important needs for a recessed and suffocating economy.

KEYWORDS: *Corporate Governance, Leadership Capability, High Power Distance, Close Supervision, Corporate Culture, Micromanaging Behaviour, Macromanaging Behaviour*

How to cite this paper: Musah Ishaq | Osifoh Ozoya Austine "Governance, Leadership and Management Practices in Nigerian Public Sector: Ventilating a Recessed and Suffocating Economy" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-6 | Issue-7, December 2022, pp.159-164, URL: www.ijtsrd.com/papers/ijtsrd52287.pdf

IJTSRD52287

INTRODUCTION

It has been argued that the main problem that has bedeviled Nigeria long before economic recession is poor governance, bad leadership, and mismanagement. Governance, leadership and management issue is a general concern in Nigeria and it affects government bodies and organisations at all levels (Osumah & Ikelegbe, 2009). The manifestation are mostly explained by the persistence of inefficient government-owned businesses, inefficient and poor institutions, inefficient parastatals, inefficient agencies, inefficient civil service, inefficient markets, corruption due to lack of genuity and integrity of Nigeria leaders are organizational leaders (Lawal & Owolabi, 2012).

The effect of leadership and management failure coupled with corporate governance problem are evident in the Nigerian public sector, such as: loss of will by public workers to carry out their duties with efficiency or passion as it is seen as a waste of time; break down of rules and regulations, lawlessness and ineptitude; assassinations of character, man-know-man syndrome which erodes meritocracy and promotes mediocrity in the public sphere and administration; waste of manpower, mineral and capital resources; loss of confidence, faith and trust in the organisation; economic instability occasioned by frequent strike actions thereby stalling economic activities (Arowolo & Aluko, 2012).

Nigeria's economic woes in recent times are largely attributed to the struggling oil sector as a result of slump in global oil prices. With this problem today, the slogan in Nigeria just shifted to diversification of the economy through investment in non-oil sector. Both oil sector and the non-oil sector are important for economic growth. However, why the emphasis on diversifying into the non-oil sector is a welcome development for a recessed economy by the nature of public sector management also propel a nation to greatness. Thus, for ventilating a suffocating economy (Eketu, 2017), there is need to have a look at the level of poor governance, bad leadership and mismanagement associated with public sector management; with a hope of repositioning the public sector for efficiency and service delivery. Rather than government facing the challenges of inefficiency in public sector, they hurriedly came up with quick-fix of by adopting "privatization" and promulgated it with slogan like "government has not business doing business", "government does not create job", etc. To the researcher, quick-fix is like rule of thumb and layman approach of solving problem by running away from the problem.

From the onset, the quest for solution to the inefficiency of public sector led to privatization that was said to be panacea to the elimination of inefficiency which ends up becoming a mirage. Till date, inefficiency is still at work in Nigerian public sector that contributes little to the economic growth. The Nigerian public sector has become unproductive and it has an attribute of group of people that feed like an elephant and contributes like an ant. This is the best way we can describe public sector that constitute less than 5% of the population and consumed over 70% of the national budget yearly.

Now that the private investors that took over the hitherto government-owned companies have virtually run many of the outfits ground and return the companies inefficiency to status quo or even worse as in the case of Power Holding Company of Nigeria and others; coupled with slump in global oil prices – the nation is now at the crossroads over the way forward for a recessed and suffocating economy.

Privatization of Public Enterprises in Nigeria

Privatization comes to the heels due to the failure of government and its institutions, parastatals, commissions agencies to live up to their responsibilities. The narrative and single story in Nigeria is that public companies are known to perform badly when companies with their private sector counterparts and this cannot be said of China and other countries that are doing well in public companies management.

Corruption offshoot of poor governance, bad leadership and bad management in Nigeria is directly linked to private sector vis-à-vis privatization. Private companies and some multinational companies at time serve as a means of embezzlement – The allegation that Former President Goodluck Jonathan received gratification up to $200 million in bribes to approve the controversial Malabu Oil transaction during his tenure is a reference point. However, if the evidence in Buhari administration fight against corruption (anti-corruption campaign) through recovery of stolen fund and idle cash is anything to count on, it will be morally wrong for Nigeria as a nation to depend on borrowing from other countries and as well as receiving aids from international donors.

Evidence from Bureau of Public Enterprises (BPE) and its regulatory body – National Council on Privatisation (NCP) shows that only 10 out of the over 400 companies privatized so far were assessed to be on relative sound footing as reported by Dr. Christopher Anyanwu – the BPE boss. He went further and attributed the failure of the scheme to the hurried manner the companies were privatized (*see appendix 1 for some of the Nigerian Government-owned companies (now collapsed, privatized or listed for privatization).*

For a quick-fix approach, President Goodluck Jonathan in 2013 set up Stephen Oronsaye Committee to restructure Federal Government parastatals, commissions and agencies. Oronsaye committee recommended the scrapping of 220 parastatals, commissions and agencies. Conversely, it is yet to be ascertain how mere restructuring and scrapping of government, parastatals, commissions and agencies can lead to service delivery and efficiency of public sector. *(See appendix II for full list of government parastatals and agencies approved to be retained and parastatals, commissions and agencies to be scrapped).*

Empirical Evidence of Governance Challenges in Nigeria

The quality of public institutions and civil servants service delivery in Nigeria is worrisome considering inefficiency associated with economic institutions and public management. Governance problem is closely linked to corruption. Governance at national, state and local levels are neither accountable nor transparent, while due process is boycotted in running government affairs. The various public sectors are shrouded in weak structures and poverty while lots of monies are allotted to them, in the budget. This is an offshoot of non-transparent governance by those in authority (Julius-Adeoye, 2011).

Public sector poor performance is a general concern in Nigeria. poor performances are evident in government-owned businesses, institutions, agencies, parastatals, and civil service. Poor performance outcomes are associated with persistent poor growth performance. This shows that Nigeria's public sector need repositioning more than mere cutting cost in governance.

As a nation, rather than dealing with problem of public sector management inefficiency for efficient service delivery. We are almost giving up with the notion that “government has no business doing business” and “government does not create job but only facilitates job”. Yet empirical evidence shows that many countries “government-owned businesses” in the areas of airlines, banking, oil, insurance, mining, telecommunications, automotive, construction, etc are doing well globally. For instance, 13 out of 110 Chinese firms listed in 2016 ‘Fortune Global 500’ Companies are government-owned. The Fortune Global 500 is a benchmark annual ranking of the largest 500 companies worldwide as measured by total revenue.

With a careful examination of breakdown by country in the list of top 10 countries with the most Global 500 companies, Nigeria organisations be it public and private are not listed.

Table 1: Top Ten (10) Countries with the most Global 500 Companies

Rank	Country	Companies
1	USA	134
2	CHINA	103
3	JAPAN	53
4	FRANCE	29
5	GERMANY	28
6	UNITED KINGDOM	26
7	SOUTH KOREA	15
8	SWITZERLAND	15
9	NETHERLANDS	12
10	CANADA	11

__Note:__ The global 500 includes 1 company under the heading “Britain/Netherlands. That company is counted in the tally for both countries.

Dimensions of Good Governance

The dimensions of good governance are: Political stability (reflects the extent to which various other dimensions of governance such as the rule of law are observed); government effectiveness; regulatory quality/regulatory agencies (friendly regulatory policies); rule of law (where the rule of law exists, the effects of market failure can be minimized); corruption (the exercise of public power for private gain, including both bribery and extortion); voice and accountability (the participation of the civil society in governance); and purposeful leadership.

Components of Governance Failure in Nigeria

The components of governance failure in Nigeria are: corruption (closely linked to corruption are neither accountable nor transparent, while due process is boycotted); lack of genuity and integrity; lack of foresight; false hope (white elephant promises and unfulfilled promises are made by Nigeria leaders); lack of ideas, creativity and innovation; poorly baked policies (poorly baked policies, poor planning and continuity); lack of competence and ill preparedness; oppression, suppression and intimation; lack of accountability, transparency and due process.

Leading: Leadership and Management

In managing a recessed economy, the focus on the effectiveness of leadership and management is important. Leadership and management is practice in every walk of life be it public and private sector. A chief executive job involves both management and leadership, bit the latter is more important than the former. Studied conducted at the University of Michigan and Ohio State University in 1945, established two major forms of leader and manager behavior namely: employee centered and production centered.

Leadership

Leadership is an asset to organisation. Effective leadership leads to efficiency and profitability. Many organisations often fail because of many factors that have been attributed to the performance of leadership.

Bad leadership in organisation is portraying negative features as lack of direction, neglect and drift, fraud and insensitivity to the needs and plights of the citizens. It has been said that the major disaster of Nigeria like many other African countries is bad leadership and governance (Robert, 2009). It is on the recognition of the imperative of leadership and governance to a country that Nnablife (2010) avers that the survival of a system rests with leadership. All things rise and fall on leadership because leadership effectiveness is a steering that drives a nation or any organisation to heights of development and productivity by the application of good governance.

Leadership is one of the basic and most important needs in Nigerian organisations. The success of organisation depends on leadership capability. Leadership is an asset to organisation and leadership and management styles are not fixed in places, permanently attached to an individual’s personality. While most leaders and managers found sanctuary in one leadership style and develop a dominant leadership style, but good leadership is a product of adopting elements of other leadership styles based on situational approach.

The classification of leadership style are: authoritarian (or autocratic) leadership style, transformational leadership style, transactional leadership style, charismatic leadership, innovative leadership, Quiet leadership, laissez-fair leadership, servant leadership, situational leadership, ambidextrous leadership.

However, the style that individuals use in managing organisation depends on the combination of their beliefs values and preferences, as well as the organizational culture and norms which encourage some styles and discourage others.

The problem many organisations in Nigeria public sector are suffering from is a recognition problem – they cannot seem to recognize good leaders from bad ones. Leaders produce results. Good leaders will find a way to get th job done. It is not always the case of inexperience leaders. The symptoms of bad leadership are as: lack of communication, micromanagement, unclear expectations, intimidation/bullying (lead by fear), commanding, poor people skills, controlling, indecisive, open-minded, resist change, visionless, and favouritism: arrogance, angry, blame-shifter and driven by emotion.

Management Practice: Micromanaging and Macro-managing Behaviour

Managing people is never easy. Micro managing and macro managing them is destined for failure. Micro and macro-management approaches are different method but similar result. Micro-management makes people less productive, and makes them quit. Macro-management makes people less productive, and they stay. Both are bad. An ideal/good manager strikes a balance between micro and macro-management.

Micromanaging Behaviour

Manages are more interested in getting things done. Thus, a manager is more likely to be directive in style simply because of the implications of failure. Micromanagement in simple term is a management term used to describe a manager who is over-involved or get involved in organisation work and act as control centre through excessive control or attention to details (Alvesson & Sweningsson, 2003; Sowers, 2011) and close supervision (Porterfield, 2003; Wright, 2000). The consequences of micromanaging behaviour are not restricted to the micromanager and the subordinantes (Badger et al., 2009; Hernson & Krauss, 1987), but also stretch to the total organisation (Sahay et al. 2000; Hansson e tal. 2003). The basis for macromanaging behaviour is under-confident and rooted in corporate culture (Badger et al, 2009; White, 2010) manager's personality (Badger et al., 2009; Linvingston, 2003; Maloney & Federie, 1991), and attributes of subordinates (Rosen & Jerdee, 1977).

Micromanagement is the act of exercising excessive control of team members/subordinates even a competent staff. Sometimes it is done without malice and even with good intention. Micromanagers are the ones that believe that they can do their subordinates with good intention. Micromanagers are the ones that believe that they can do their subordinates job better. Yet, managers do not have the time to do multiple jobs – their job and that of their subordinates. It is nearly impossible to do the jobs of subordinates properly in addition to one's own job (boss). Ideally, paying attention to details and making sure the work is getting done are important but it is the excessive control that is problematic.

The characteristics of a typical micromanager are: perfectionists/perfectionism, always consider his employees incompetent, they do not give subordinates enough freedom to do their jobs, they feel ownership or assume ownership of another person work/dork done or results); waste company time and money correcting mistakes; they oversee their workers too closely; they tend to look at the details of an employee's job many times during the work day, usually making unwarranted remarks; fault finder i.e. always looking for mistakes; avoid delegation process when assigning duties; exaggerate the importance of minor details to subordinates; they want to be hands-on (hands-on manager is someone who is willing to do the same work as their employees); they take responsibility away from the subordinates.

Some common excuses that chronic micromanagers give and what they really mean

What Micromanagers really mean when they try to explain their behaviour

Don't take the excuses at face value

S/No.	What Chronic Micromanagers say	What they really mean
1.	It will save me time if I just do it myself.	I don't believe it's worth my time to let them try, because they won't get it right anyway.
2.	Too much is at stake to allow this to go wrong.	I don't trust them to do their jobs according to my standards.
3.	It is my credibility on the line if we don't get it done on time.	The work won't get done unless I constantly prod them.
4.	When I am not involved, they mess up.	The one time I yielded some control, there was a mistake and I'm not willing to take that risk again.
5.	My boss wants me to be heavily involved in my team's work.	If I don't stay involved, how else will I prove my worth?

Source: Muriel Maignan Wilkins, Co-Author of Own the Room: Discover your Signature Voice to master your Leadership Presence

Micromanagement generally has a negative connotation; it is frustrating (employee may perceive the manager constant involvement as overbearing, intrusive, disruptive, and inefficient); demoralizing (destroy employee morale); demotivating (destroy employee motivation); micromanager do not empowering the employee to develop; micromanagement tends to erode workers self-confidence; they lack faith in the employee's competency, avoid delegation process (employee delegation); they kill initiative; they lack faith in employee trust; increases staff stress levels; high absenteeism; high bumout; high turnover; lack of employee trust; lack of employee engagement; authority and responsibility violations – All this tends to hamper productivity and makes organisations vulnerable.

Macromanaging Behaviour

Macromanagers are generally on the opposite end of the spectrum of micro-managers. Macro-managers give employee so much freedom that they do not do their jobs and do not feel ownership in the results. He is a boss who allow subordinate to do their work with little or no supervision. Macromanager is like absence of leadership – free rein.

Macromanager is not the worst boss in the world of work to work for, if you take a short-term view. Thinking long-term, working for this type of boss will weakening your capabilities (and your career), and you will seldom be producing the type of results you can feel proud of at the end of the day.

Summary and Conclusion

Good governance is required to eliminate public resource mismanagement and to ensure quality service delivery and effective bureaucracy, strengthen the rules of law as well as the promotion of credibility accountability and transparency and capacity building.

There is nothing wrong with leader and management control of organization. A good manager is an involved manager, but an over-involved manager that spends time trying to control the details of work done by "competent" staff, rather than focusing his/her energy on the strategic necessities of managing is termed micromanager. Also, a good manager is managers that delegates authority, but a manager who delegates without control or gives an employee an assignment, and then disappear until the deadline is termed macromanager – in this illustration both micromanagement and micromanagement are bad.

Reviving a recessed and suffocating economy requires government businesses. Running away from businesses is not an option for Nigeria but rather how to achieve and sustain public sector management efficiency should be the concern of government. Good governance, good leadership and good management are sufficed to revive a recessed and suffocating economy characterized with inefficiency. Most civil servants in Nigeria like their counterparts in the private sector do not have an issue with performance if the leadership and management of public sector play a key role in promoting public sector efficiency. The paper concludes that the moment Nigeria gets rid of the public sector inefficiency; Nigeria will be in a better position to strengthen and boost its growth performance to get out of recession and succeed in reviving a suffocating economy.

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