PROJECT TITLE

HUMAN RESOURCES DEVELOPMENT AND PRODUCTIVITY IN A PUBLIC ORGANISATION A CASE STUDY OF CENTRAL BANK OF NIGERIA

BY

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DEPARTMENT OF BUSINESS ADMINISTRATION
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Z A R I A

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DECLARATION

I hereby declare that this project is original and a product of my research findings.

It has not been presented for higher degree in any other University.

All articles used have been acknowledged accordingly in the endnotes quotation marks and Bibliography.

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Student Name



Signature

31/08/25

Date

CERTIFICATION

This project report/thesis/disseration entitled:

---------- by ----------

meets the regulations governing the award of the degree of ---------- of Ahmadu Bello University, and is approved for its contribution to knowledge and literary presentation,

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DEDICATION

This research project is dedicated to my beloved Father Late Chief Joelson Obotu Adu, whose transition occurred on the 21st Day of January, 1992, A day prior to my addmission for the MBA programme.

ABSTRACTS

By definition, "Human resource development and productivity" implies 'working' with the human being, developing him or her. The direction which the development takes decides whether the human being - both as a resource will become more productive or cease, ultimately, to be productive at all, thus the need for an effective manpower development.

Literature on this subject is not to mention all the materials one has come across but to show how much it has affected human resource development and productivity.

This project has attempted to indicate that training and development is not necessarily a guarantee for installed capacity (resources) utilisation and the resultant improved productivity. Other motivational inputs including better condition of service still remain critical factor. This is the challenge posed for both private and public sectors policy formulators in the mid 1990s and beyond.

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1.0 CHAPTER ONE

1.1 INTRODUCTION

All those involved in the management of an organisations know that the resources available to a manager are manpower, money, time, materials and machines.[1] It is, therefore, suggest the existence of relationship between these factors of production and thus emphasized the necessity to systematically and continually plan, forecast and manage the scarce resources available to achieve organisational goals. But it is interesting to consider for a moment which of these resources is the most important.

The founder of the Japanese firm, Matsushita Electrical Industries once said we make people before we make product[2]. Indeed, his company attributes its phenomenal growth from a three man enterprises to the largest electrical and home appliances manufacturing company in Japan and worldwide, to this unique human resources management philosophy and practice, it therefore, warns organisations that are yet to embrace this philosophy that they are ignoring the importance and cost implication of manpower thereby not only causing problems for today but creating larger problems for the future.[3]

The basic philosophy of matsushita is that in the development of individuals, lies the development of

organistions and ultimately the development of the nation.

It is a statement of fact that the very important process of determining goals and judiciously employing the factors of production to achieve these goals are carried out by human beings. Hence it is therefore, proper to say that all the other resources (such as money, time and materials) are dependent on manpower for effective harmonization in order to achieve the organisational success or failure depends and how well human resource is developed and managed particularly since all activities in organisations are planned and executed by the persons that make-up the organisation.

However, whether or not one subscribes to the philosophy of the founder of Matsushita Electrical industries the undeniable fact is that manpower is not only an important resource but also extremely costly and valuable.

It will be an intersting and revealing exercise to work out or asses the financial cost to the organisation of some activities, for example, the cost of a day's meeting attended by all the Departmental Directors, the cost of promotion interview panel made up of six Directors and sitting for ten or fifteen working days, more interesting and revealing is an assessment of the cost of some activities not directly related to the

actual work for which we are paid - some of these includes prolonged private telephone calls to friends, the manager's extended lunch hour, thirty minutes discussion with your visitor's in the office or what has come to be called pre-agenda discussion before the start of the days job.

Let us take a simple arithmetical illustration. Assume an average annual salary of ₦15,000.00 for an employee. For every minute the employer pays 14K, 68K for each 5 minutes, ₦1.36K for each 10 minutes, ₦4.08K for each 30 minutes and ₦8.15K per hour and ₦65.22K per day. Assume further that in a day of 8 working hours, the employer waste 1 hour daily in an unproductive activities. If you multiply this by 700 employees currently engaged in the organisation, that world be a staggering sum of ₦1,312,150.00 paid out for nothing and which represents a waste of scarce resources. This calculation is based on salary alone and does not include other overhead costs.

To further illustrate the cost of manpower to an organisation, News-watch edition of 10th November, 1992 page 2 reporting on the Federal Government new guidelines on pay, based an the recommendation of a Committee of Chairmen of government owned banks appointed by the Ministry of Finance and economic planning in 1992, stated that out of an income of ₦523 million earned by Union Bank of Nigeria plc for the

year ended in 1991, ₦424 million or 81.11% went on staff remuneration while First Bank of Nigeria plc during the same year paid out ₦379 million or 94.33% in salaries out of an income of ₦401 million.

It is therefore very clear that manpower is money. It is a fact that in any bureaucracy, it is very necessary to control manpower, so that its size and cost do not increase.[4] It is common for managers to always find reasons for requiring additional manpower but how often do they voluntorily surrender manpower they no longer need, even to develop the existing workforce.

It is not surprising, therefore, that many organisations have come to realise that the percentage cost of manpower in their annual budget is extremely high and in most cases, too high Indeed, experience shows that most countries in the world are concerned with the high expenditure incurred on manpower particularly in those countries where the government is the major employer.

While some organisations have already tackled the problem others are begining to do so and many more will have to do so in the future. They need to develop and manage their human resources for greater productivity for a number of reasons:

a) Financial reason - many organisations especially those developing rapidly, just can not afford to

devote so much of their resources to pay the salaries of unproductive employees.

b) In many organisation/countries there is a shortage of labour in other areas of the organisations or economy and a shake-out or redeployment need to take place

c) In many Government Parastatals offices are grossly over staffed for the amount of work to be done and consequently staff are just sitting around all day doing nothing. There is more than a grain of truth in the saying that the devil finds things for idle hands to do moreover those who have work to do, come to resent the fact that colleagues who are receiving the same salary have no responsibility and are free to stay at home or go shopping and generally please themselves. Manpower must be budgeted for, planned and properly managed not only in the interest of the nation but also of the individuals themselves. That is precisely what Mr. Matsushito was saying and that is his company philosophy.

The central Bank of Nigeria (CBN) completely agrees with this philosophy and that was why it commissioned the Mekinsey Group of consultant in the early seventies, to look into the manpower problems of the bank. The cost implications of manpower, the need for it to be properly planned, controlled, managed and

developed are some of the factors that led the makinsey group of consultants to recommend to CBN management the creations of the manpower development divisions under parsonnel Department of the bank.[5] Consequently in january 1978, manpower Development Division was established with the responsibility of systematically planning the acquisition, utilization, retention and improvement of human resources in the bank.

Its now obvious why the developed countries become superpower and self-sustenance through better utilisations of human resources available to them. Being an elements of development human resource play an important role in economic development of any given society, such as the case of Nigeria. Based on the above assumption, human factor serving as a catalyst or the co-ordinator of all aspects of the factors of production and all economic activities should not therefore be under rated.

However, right from the perception of policy and policy formulation and to the implementation of the policy activities or processes that occured in between and carried out systematically through chain of command which human resources is the key source. Human resources development therefore, serve as dynamic factor in attaining optimum goals of organisation, the case of CBN should be recognised and therefore not an

exception of which this study is based upon. It needs consdiderable attention from the organisations management. Only if the management want to realise its full potentials in the work. Thus, there is urgent need for professional managers and as will as administrators in all large organisations such as government agencies, Universities, Hospital, Corporations and other institutions. In order to enhance the productivities of these institutions which had not increased due to one reasons or another over the years.

Better management will lead to effective utilisation of manpower, assignment of task for those employed in the *non - goods producing services areas such as CBN-seems* to offer sub-stantial hope for improving the workforce productivity. The only avenue is the need for continue management development and with a view to motivate them the workforce.

1.2 STATEMENT OF OBJECTIVES

Many researchers have different objectives to the study *of this type of project but in order not to go beyond* the scope, I shall therefore base the objective of this particular project on human resources development/ productivity.

(1) Its formulation and implementation and the impact on productivity in an organisation;

(2) The study will investigate those relevant training

needs which affects workers in Central Bank of Nigeria;

(3) To determine the efficiency and effectiveness of Training/Development programme in CBN;

(4) To determine the criteria used in the application of the Training/Development programme;

(5) The result of this research will therefore attempt to discover the training variables that should be build in the work environment;

(6) The finding of this study would help authorities in CBN to develop and execute training programme that will enable the worker gives of their best.

1.5 SIGNIFICANCE OF THIS STUDY

The study is timely and of importance because of the economic depression and the subsequent need for self-sustenance vide effective and efficient management in an organisation. Report findings has a significant role in any management decision. So also, report or study have an impact on the economic development of any nation.

It is the candid opinion of the writer of this project that on the final analysis whatever findings arrived at here could definitely form the basis for effective and efficient human resource management in any business environment either a non-profit making organisation or otherwise for a brighter future.

1.4 HYPOTHESIS

The study of the problem of the organisation under reference may need further clarification of facts and as a basis for further investigation.

However, for the purpose of this study, the hypothesis will be theorised and developed for further testing.

The hypotheses are:

(1) Effective Human Resources Development enhance staff productivity;

(2) The more training a staff receives, the more productive he/she becomes;

(3) Training increases motivation and productivity.

1.5 METHODOLOGY

In undertaking a study of this nature, it is obvious, if not impossible to have sufficient informations, if data are collected by one method only. To arrest this ugly situation three methods will be used in collecting data for the work under study.[7]

1.5.1 INTERVIEW/QUESTIONNAIRE

Most of the informations contained in this paper were got through verbal and oral discussions with some top management officials of CBN - like Mr. P.A. Targa, Assistant Director, Manpower Development Division, Mr. C.J. Egwuowu, Deputy Director, Recruitment and Training Division, Mr. C.E. Ibi, Assistant Director, Staff Relations and Disciplinary Matters Division, Mr. P.A.

Taiwo, Assistant Director, Formal Branch Controller CBN Kaduna.

Similarly 200 questionnaire appendix one, was sent to all cadre of staff and interview were conducted individually in good atmosphere.

1.5.2 **OBSERVATIONS**

Observation was the method used regarding individual behaviour in response to various functions and other assigned duties.

1.5.3 **SECONDARY DOCUMENTARY METHODS**

Other sources of information are secondary i.e. going through past documents. References relating to the study were obtained from:-

(a) Ahmadu Bello University, Zaria Library;
(b) Central Bank of Nigeria Library;
(c) CBN Publications -Annual Reports, Bullion, Briefs and personnel Bulletin;
(d) Government Published data;
(e) Publication in Journals, Magazine, Articles both Publish and unpublish.

1.5.4 SAMPLE SIZE

The survey cannot cover all the staff members of CBN hence a sample size of 200 representation of all cadre of staff was chosen. These population size were arbitrarily decided to stem the difficulty in computing

large mass of data.

The questionnare was distributed to three categories of staff thus:

(a) Executive 50

(b) Senior 70

(c) Junior 80

And out of the 200 questionnaire given out, 180 staff returned theirs and were interviewed. Table 4.1.2

1.5.5 LIMITATION

This research project - Human Resources Development and Productivity is limited to Central Bank of Nigeria. Time and cost involved could not allow for a study of other public corporations.

Secondly, the sample size was arbitarily chosen and was not based on any statistical calculations. This therefore brings to question as to whether the size accurately represent the total population.

Thirdly, the quantification of corporate performance (productivity) was impaired by corporate protectionism in matters concerning the publication of valuable data that would otherwise facilitate a more quantitative research. Despite the limitations however, it is the researcher's belief that this work will be of enviable help as a base for further study.[6]

END NOTE

1. Olatuniyi O, (1991) "Some Aspect of Training in Public Enterprises in Nigeria" held at Institute of Administration, ABU, Zaria April 27 - 30 P. 17.

2. Matsushito (1977) "The Matsushito Miracle". How to Build $5.8 Billion in Sales from a $50.= start", Business week, June 6 pp. 8 - 9.

3. Ibid. p.9

4. Cost of Manpower to an Organisation Newswatch edition of 10th November, 1992.

5. For Manpower development activities in CBN, CBN personnel Bulletin vol. 1 No. 1 Oct/Dec. 1992

6. Okeke C.C.S. (1985) Research Methodology in Business and Social Sciences. Pacific College Press, Nigeria pp 21 - 29.

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CHAPTER TWO

2.0 REVIEW OF RELATED LITERATURE

I have early discussed about the topic of this project - Human resource development and productivity in public corporation in the just concluded chapter. The key components of the subject under study is productivity and Human Resource which requires revision of same author's view to enable us to have a clear understanding of the meaning. And to find out how various writers come out with different definitions to the above mentioned terms - productivity and Human resource a component (important) of the title.

2.1 PRODUCTIVITY

Productivity has always been a major concern for management in Nigeria. However, the way productivity is defined affects the way it is measured. Where the definition is inaccurate, efforts to improve productivity will be misdirected. This misdirection has negative consequences on National and organsational development.

A common formula for measuring productivity is productivity = Units of output/man hour.

Another school of thought defines Productivity = output/Labour + capital + material + others.

For a developing Country that does not produce most of what it consumes, the formula stated above is

inadequate, productivity should not be seen as output (goods / service) per unit, labour, materials, capital, machines, energy,information, space,time and other resources should be seen as appropriate inputs in measuring productivity. The nature of the inputs require further analysis. What percentage of the inputs is due to local (Nigeria) participation and what percentage is due to foreigns participation ?

Deen Ibraheem come out with a more accurate productivity model in his article "productivity improvement in Nigeria in the 90's" page 55.

Productivity = output (Good/sarvies) / Inputs (Resource) + L (% local participation) / F (% foreign participation. 1

Where L + F =100%

To use the Deen productivity model Naira value should be assigned to the key inputs. Notice that it is the inputs that define the L and F. Notice further the model is separable. For example one can separately monitor the L/F quotient over a period of time and see how well a business is doing in say, local substitutes.

To improve productivity, we can embark on:

(i) outputs can be increased. (For example, through improve sales).

(ii) Inputs can be decreased (for example, through cost reduction techniques).

(iii) local participation can be increased while foreign participation can be decreased (for

example through technological development).

Thus, productivity improvement effort is clearly tied to improvement in local participation. This approach highlights the interdependence of productivity and factors such as education, technological development, employment, National Economy and Culture. It also challenge the public and private sectors to carry-out applied research and development in order to improve local participation and thus improve their productivity.

Organisation must design ways of consistently increasing productivity with the above model. They can also continue to search for productivity improvement through traditional techniques like method engineering, value engineering, value analysis and variety reduction. These may help to decrease inputs. However, it must be recognised that the human persons is the most important resources in a given organisation.

To improve productivity decision-makers must recruit, train and develop the right people. The job time must not unduly affect times for relaxation and other activities in life. Productivity performance on the job deserves commensurable rewards. Safe and healthy working conditions, upward mobility and judicious use of workers talents are some of the things that must be done in order to encourage effective employees participation in productive environment.

Another School of thought observed that productivity studies may be conducted at the level of the plant or firm, the level of the industry, or the level even of the entire nation. They may also be conducted for sectors of the economy such as agriculture, industry, public sector, private sector, among others. These studies are extremely useful. They provide insight into the extent of optimisation in resource use.[2]

Evidence proferred by Hornbruch suggests that as countries develop aggregate production as measured by the ratio of real gross national product to the employed labour force increases.[3] Peter Kilby goest further to assert that "the determinants of output per man viewed at the macro-level of the economy is none other than the problem of economic development itself".[4]

Given this central role of productivity in development, it is self-evident that for Nigeria to emerge from its present depressed state ways and means must be devised not just to utilise them efficiently. In other words, the relevant productivity issues for public corporation in the decades ahead must be identified and tackled. Identifying these issues for the mid 1990s and beyond is the aim of this project. First we discuss the theoretical issues involved in productivity analysis. We then highlight the productivity issues in Public

Sector which require policy attention in the 1990s.

(a) **PRODUCTIVITY ANALYSIS**

Each factor of production is productive. We can thus speak of the productivity of land, labour, or capital. Given the resources of an organisation, the problem of the organisation development amounts to how to utilise these resources fully and efficiently. Where some of these resources are unemployed, output can be increase by putting the idle resources to use. In this case the opportunity cost of expanding output is said to be zero. In social cost-benefit analysis or shadow pricing, the prices of the factors used for the change (increase) in output are said to be zero. The labour-surplus dual economy model of Arthur Lewis[5] for less developed countries and Helleiner's[6] land-surplus model of agriculture for Nigeria are based on the idea of abundant idle labaour and land respectively.

On the other hand, where all resources are fully occupied, output can only be increased through improvement in productive efficiency, i.e. productivity. Where all resources in an organisation are fully and efficiently utilised, the organisation is said to be on its production possibility boundary (PPB). In this case, to increase production in one direction involves an opportunity cost. To restate the above ideas in technical language, we say that to use resources fully is a necessary but not sufficient

condition to be on the PPB; similarly, productive efficiency is a necessary but not sufficient condition to be on the PPB. A sufficient condition to be on the PPB is that available resources are used both fully and efficiently. It is instrinctive to note here that all organisation or countries to the world operate within these production possibility boundaries either because of unemployment of resources, inefficiency in resources use, or both. What differs is the level of unemployment or the degree of inefficiency. In Nigeria, the degree of capacity under-utilisation (i.e. idle capacity) has been exercerbated by the economic crisis of the 1980s. While detailed appraisal of capacity utilisation in Nigeria is outside the scope of this project observations above about it help to place the research in proper perspective. The observations show that the two factors, idle capacity and productive inefficiency, combine to explain why the Nigerian economy today functions at well below its productive capacity.

Since, as observed all factors of production are productive, it follows that all the factors used in production contribute to the total product. This relationship between output and the relevant factor inputs is known as the production function. Assuming only two factors of production, labour and capital the relationship may be expressed mathematically as

$$Q = f(L,K)$$

where Q represents output, and L and K labour and capital respectively. Since both labour and capital contribute to the total output, the question is relevant as to how to measure that productivity of each factor. The average productivity concept in which the whole output Q is divided by L and K to obtain the average productivity of labour (Q/L) and of capital (Q/L) respectively suffers the defect that it assumes that the whole output comes from only the particular input considered. The marginal productivity concept rectifies this weakness. It isolates the contribution of the particular factor considered by conceptually holding the other factor constant. This is an economic application of the mathematical concept of the partial derivative. For example, given the Cobb-Douglas production function

$$Q = KL \& CB$$

where Q represents output, and L and C labour and capital respectively, the marginal product of labour is

$$\frac{dQ}{dL} = \&KL \& -1CB = \frac{\&Q}{L},$$

and that of capital is

$$\frac{dQ}{dL} = BKL \& CB-1 = \frac{BQ}{L},$$

The marginal and average productivities depend <u>inter alia</u> on the stage of production of the firm.[7]

We glean from the foregoing that the term productivity is not synonymous with labour productivity. Rather, it

is multi-faceted. We now identify these facets and the problems they pose for the Nigerian economy vis-a-vis public corporation as it gravitates into the new decade.

(b) **ISSUES FOR THE 1990s AND BEYOND**

As Nigeria enters the Mid 1990s, it must contend with the formidable productivity issues relating to manpower, agriculture, industry, public service, productivity data bank, productivity studies, and incomes policy. We will concerns ourselves with manpower, public sector, Agriculture productivity Data Bank, productive studies, and income policy.

(i) Manpower

Manpower occupies a special position in develop-ment. It is the active agent of production. Its efficiency therefore influences that of the other factors. Yet, one of the most critical manpower issues in Nigeria today, alongside the unemployment issue which has now caught up even with university graduates, is that of low labour productivity.

At the micro-level, efficient manpower utilisation requires that trained personnel be placed in job most suited and relevant to their training. But a great deal remains to be desired in Nigeria today in this respect. Far too often in many enterprises in Nigeria, employees are assigned responsibilities which bear little or no relation to their training and therefore fail to make

full and effective use of their potential.[8] Of course, the public sector is far more notorious in this regard compared to the private sector which, in general, is guided by the profit or productivity motive. True, many factors affect labour productivity; but one way to raise this productivity in Nigeria of the Mid 1990s and beyond is through a more efficient allocation or placement of existing manpower.

At the macro-level, development planners place a premium on manpower as a factor of production. They thus regard education, for example, as investment in human resource capital.[9] Though Nigeria perceives of manpower development mostly in terms of human capital formation, educational policy in Nigeria never-the-less seems to place a premium on quantity instead of quality. The propensity to phenomenally increase the number of universities rather than consolidate and expand a few is a testimony. Education in Nigeria, like population, has become politicised and this has fostered the tendency to quantity in place of quality thereby placing a burden on basic educational facilities and infrastructure, and perpetuating the vicious circle of low quality, falling standards, and low productivity. To raise manpower productivity in the 1990s, the educational policy which places a premium on quantity rather than quality of manpower must be reversed. This reversal has to be linked to a

population policy; for the greater the population, the greater the pressure on educational facilities.

Numerous other factors affect labour productivity in Nigeria. They include the extended family system, system of wage payments, technology supervision, motiviation, physical conditions of the work place, among others.[10] Efforts to raise labour productivity in Nigeria in the 1990s must commences from an appraisal of these determinants and how, severally and jointly, they affect productivity. While labour productivity in Nigeria is generally low, this is not to imply that the Nigerian race is inherently lazy. Racial productivity theories which once influenced thinking on the subject have now been largely discredited.[11]

(ii) Industry

As Nigerias industrial base expands in the 1990s so increaseingly will the issue of industrial productivity in Nigeria assume increasingly significance. It has been observed that due to the lack of a mechanical tradition in Nigeria, the industrial workers in Nigeria is relatively inefficient compared to his counterpart in the developed world.[12] Such international comparison of industrial productivity is common. It is generally acknowledge, for example that output per head is two and a half times greater in American industries than for comparable industries in Britain.[13] Lower labour efficiency implies higher labour/output ratios which

mean that more labour is required to produce a given level of output than would otherwise be the case.[14]

Hirschman holds the view that industrial labour efficiency depends almost entirely on the technology adopted irrespective of the worker's mechanical background. He contends that machine-paced operations. For example, induce higher worker productivity.

> "because machine-paced operations provide for <u>steadiness</u> of pace",[15]

and asserts that

> "machine-paced operations are typically more capital-intensive than operator-paced operations".[16]

If Hirschman's hypothesis is valid, it follows that labour productivities are identical in Nigeria with those in advanced countries when capital-intensive techniques are used, but could diverge for labour-intensive techniques.

As Nigeria enters the mid 1990s and increasingly industrialises, the need will become urgent to verify these hypothesis. They touch on the issue of technological choice. Motion and time studies in Nigerian manufacturing industries need to be conducted. Their aim is to identify and eliminate unnecessry movements on the part of the worker and thus save time and raise productivity.

(iii) Public Sector

Nigeria's public sector is notorious for its inefficiency. One reason for this is that reward in the sector is not linked to productivity. Admittedly, a great deal of public sector activity is the rendering of social service which cannot easily be quantified and rewarded accordingly. But even in activities where output is easily quantifiable, the productivity of civil servants in Nigeria remains abysmally low. Nigerian civil servants seem to derive little or no job satisfaction in the performance of their duties. They hold tenaciously to the view that what belongs to the general public belongs to no one. They are discourteous to customers. Indeed, we can say that public-sector inefficiency is perhaps the greatest bane of the Nigerian economy as it approaches the years 2000.

Privatisation of the public enterprises is not the solution, since the entire public sector cannot be privatised. Ways and means must be sought in the mid 1990s to reward initiative and productivity in Nigeria's public sector. Management by objectives (MBO) as a system for achieving results has been tried elsewhere and should be introduced to the public sector of the Nigerian economy in the mid 1990s.[17]

(a) **AGRICULTURE**

The role of agriculture in development is well known. For industrial take-off, the agricultural sector must be developed, and agricultural output and productivity must rise. Up till 1982, agriculture was the dominant sector of the Nigerian economy in terms of sectoral contribution to the Gross Domestic Product (GDP). But, ironically, this share, though dominant, continued to decline unabated, falling from as high as 64.08% in 1960/61 to as low as 34.14% in 1973/74. By 1982, the share of agriculture in the GDP had declined to only 19%. In absolute terms, between 1973/74 - 1982, the agricultural sector did not grow but in fact declined, recording a mean annual growth rate of -1.7%. These facts, coupled with annual population increases of at least 2.5 per cent, mean that domestic food production in Nigeria has not been able to meet local requirements.

The above situation is undesirable. As this author has put it in a different context,

> "Agricultural decline could mean shortages of food, raw materials, and structural inflation. The alternative of importation is undesirable since such importation can reinforce the initial decline. Unequal and uneven sectoral growth rates may also be undesirable in so far as they could create structural bottlenecks through the network of input-output inter-relationships."

There is thus the need to raise agricultural productivity in Nigeria in the Mid 1990s. Specifically, policy makers must explore ways to increase (i) soil

productivity through the application of fertilizers; (ii) crop yield through the application of improved seed varieties and pesticides; (iii) output through mechanisation and the determination of optimum farm size; (iv) farmer productivity through adequate motivation. The usefulness of state farms and farm settlement schemes in their demonstration effect need to be re-appraised. See Diachavbe, O; "Prospects for Grwoth and structural changes during Nigeria's Fifth Development Plan Period", paper presented at specialised session of Annual Conference of Nigeria Economic Society, Lagos, pp. 8 - 14 & 16.

(iv) **PRODUCTIVITY DATA BANK**

Adequate information on almost every aspect of the Nigerian economy is hard to come by. This is a problem common to most less developed countries. Where data are available, they are often unreliable. Given the significance of productivity as earlier indicated, it is a sad commentary that in the absence of adequate information about productivity in Nigeria, our ideas about the subject become at best deductive rather than inductive. A productivity data bank should therefore be established in Nigeria in the 1990s. It should contain information on all aspects of productivity. Establishment of such a bank will encourage research into productivity in Nigeria, bring about better understanding of the subject, and assist in the

formulation of appropriate policies aimed at enhancing productive efficiency in Nigeria in the 1990s.

(v) **PRODUCTIVITY STUDIES**

Both sides of industry in Nigeria are in dire need of productivity studies programmes. Such studies should be instituted in Nigeria in the mid 1990s and patterned along the Labour Studies Research Programme of the International Institute for Labour Studies, Geneva, *which draws participants from both sides of industry* annually for training programmes covering topics such as wages, productivity, research methods for trade unionists and management, collective bargaining techniques, and statistics for bargainers. A productivity studies programme for Nigeria in the 1990s will be a great step forward towards raising productivity in Nigeria.

(vi) **INCOME POLICY**

Considerations of productivity and incomes policy are closely inter-related. One of the basic goals of an incomes policy, for example, is to restrict wage increases to productivity increases so as to check inflation. Experience of the developed world shows, however, that this objective is hardly attained due to what has been termed "earnings gap" or "wage drift".[18] Besides, in Nigeria, a wage restraint policy which succeeds in restricting wage increase to productivity increases may not succeed in controlling inflation,

because the inflation in Nigeria is not just of the cost-push variety but arises from a hybrid of causes. An incomes policy for Nigeria in the Mid 1990s and beyond must therefore explore new directions beyond the postulated theoretical relationship between wages, prices, and productivity.

2.1.1 Productivity measure in CBN:

Economic development can be defined with reference to Labour as increase over-time in per capita output of material goods/service. Increase of aggregate output over-time can some how be measured, and they can be the result of one of the following development

(a) Staff Organisation

The aggregate resource utilization may expand without changes in organisation or technology, i.e. previously unutilized resources (manpower) or land that may be brought into the productive process. The organisation of staff in CBN is solid and this could be judged from the growth of departmentalization of the function of the Bank from five departments, one Deputy Governor and Governor in 1970s to 24 departments as at December, 1993 manned by Directors; Five Deputy Governors and a Governor for effective staff organisation and management. chapter three 3.1.3.

(b) The productivity per unit of resources at work may rise as a result of organisational measures, i.e. by a

transfer of workers from less productive occupation/ duty to more productive pursuits and by lengthening of the working day.

(c) Reduced rate of fraud in CBN:

The rate at which fraudulent practices is perpetuated in the Bank is greatly reduced and minimal as compared to other financial institutions. This is enhanced by rationalzation method of production and economic utilisation of productive resources which is possible only under proper effective organistion of the labour processes.

(d) By an improvement in the method of labour organistion and strengthening of incentives available to workers. Chapter five 5.0 - 5.1

(e) Labour Turn Over rate:

Labour turn over-rate in CBN is very Low and the staff strenght of the Bank grow from 104 in 1959 to 9,707 as at may, 1992.

(f) **Computerization of CBN Operations**

Society's technical armory become stronger, i.e. (a) worn out or absolete plants and equipment may be replaced by more efficient ones; The addition of new technologically improved (computerisation of CBN operations) productive facilities had been added to the previously existing stock.

(g) Industrial Harmony in CBN:

The industrial atmostphere in CBN could be judged harmonious. The bank has weatness only two work to

rule situations since its inception in 1958.

(h) Staff development in CBN

In area of staff development the Bank established a training school in 1977 with 462 staff trained in the school that year and 3,758 in 1991. Chapter three 3.4.

(i) The Productivity growth rate of the Bank could also be measured by the increases in her financial surpluses declared by the Bank annually which rosed from ₦164.1m in 1979 to ₦6,966.1m in 1992 (source CBN annual reports 1979 and 1992 respectively.

(j) For effective execution of her function as the Apex Bank in the Country, CBN decentralised with 21 divisions which comprises of 15 Branches and 6 currency centres with additional 4 zonal offices through out the country as at December, 1991. Vested with some degree of decentralised authorty for better Management.

2.2 Public Corporations

The word public corporation would be used interchangeably as parastatals, public enterprises and public utilities in the report.

A statutory corporation, Board, parastatal, commission or Authority is an entity wholy owned by government and created by a specific statute which gives it authority to engage in designated activities under special condition.[19]

It can also be defined as A corporate Body Created by the legislation, with defined powers and functions and financially independent, having a clear cut jurisdiction over a special area or over a particular type of commercial activity.[20]

In Nigeria, public enterprises represent one of the many ways of achieving a high level of prosperity and progress. Apart from being an agent for boasting economic development these bodies also help to facilitate finances for infrastructural and social programmes.

From the above, it can be summarised that public corporation is a government created antonomous organisation by law, necesitated by the need of promoting rapid economic development.

2.3 HISTORICAL BACKGROUND OF MANPOWER DEVELOPMENT IN NIGERIA

In the early 1950s, the major pre-occupation in Nigeria especially the Federal Civil service is to ensure the placement of Nigeria in key positions, preparatory to the ultimate indiginisation of the Civil Service from the Colonialists. The Nigerianisation Division, Federal Ministry of Establishment later change to Staff Development Division was charged with the responsibility not only for the reservation of a list of post for Nigerians to gain relevant experience, but in exercising the responsibilities of senior posts.

By the middle of 1960s and with tremendous - expansion in government service, arising from rapid changes in the political, economic and social life of the country, couple with the complexities of the problems of development that had to be achieved, it had become clear that training could solve a variety of manpower problems which could militate against optimum productivities. There emerged an urgent need for conscious and vigorous efforts on the part of government to develop a well trained work-force so that civil servants may be able to serve their fellow citizens more effectively and economically. This was to afford individual civil servants opportunity to add to their perspective background identify items of additional knowledge, skill and understanding necessary for the successful implementation of the country development plans.

As a mark of the new training awareness, the Federal Military Government in 1967, commissioned a survey on the training needs of the Federal Civil Service. This survey was carried out by the late professor C.P. Woller, the Senior Consultant in public administration at the Institute of Administration, Obafemi Awolowo University, Ile-Ife. The Survey noted that 'there is an acute shortage of trained personnel in the administrative and professional cadres or groups in the services and revealed an urgent need for systemcatic,

sustained and regular programme of training in the civil service. The report of the commission was published in April, 1969. This was approved in the subsequent government white paper on the commissions report.

Notably, one of its approved recommendations was establishment of a staff development Division in the Federal Ministry of Establishments. This Division was charged with the responsibility of advising Government on staff training in the Federal Civil Service and ensuring the promotion of training consciousness throughout the service. It also ensures that Nigerians, especially those in strategic positions in administration and professions, are developed very quickly to carry out their duties and responsibilities with speed, competences and efficiency.

To this end, in the early 1970s when our economy experienced an up surge both in - expansion and growth rate, we had to rely heavily on foreign expertise for the manpower need for the execution of our various economic policies. The attention of the then Federal Military Government, was drawn to the danger posed for the economy by this heavy reliance on expatriates even for most of the basic skills in our industries and construction sites. So, to promote and encourage the effective participantion of Nigerians in all facets of

our economic life. This led to the promulgation of the Nigerians Enterprises promotion Decree in 1970.

With many basisness now transferred to the hands of Nigerians, it was soon discovered that the pronblem of effective management of these business was much more than mere transfer of ownership. It becomes quite obvious that the know how necessary to run the newly purchased business was lacking, following the Udoji public service review commission and acceptenace of its recommendation towards a result - oriented public service which is new styled. The Commission had observed that the major constraint to development in this country was lack of skilled and experienced men and women to carry out the require tasks, emphasising on improved personnel management to get develop and deploy the manpower we need to get the job done, so well as planned and systematic training as vital means of meeting the manpower shortage in the public sector.[21]

From the above, it would be clearly appreciated that one of the major problems facing our economy is how to produce enough skilled manpower at all levels from specialised craftsmen and operatives to managers/ administrators in order to meet the skilled manpower demands of the current high rate of our industrial expansion. It is also obvious that the newly introduced industries - iron and steel (along with their new

processes which required better machining, equipment and tools) will at the same time call for new skills and more trained personnel. All these call for a drastic change in our approach to the much needed and much talked about effective transfer of technology. Though, it was towards this manifestation that new Federal Universities of Technology are opened throughout the country in addition to Polytechnics

2.3.1 INDUSTRIAL TRAINING FUND (ITF)

It was established under the Industrial Training Fund Decree No. 37 of 1983. Under this decree, sum of money provided from time to time by the Federal Government and contributions made by every employer having a minimum of twenty-five persons in his employment, at the rate of one percent of the annual pay roll, are to be paid into the fund.

OBJECTIVE

Is to promote and encourage an acquisiton of skills in industry and commerce with a view to generating a post of indigenuous trained manpower sufficient to meet the needs of the national economy. The fund is administered by a Governing Council, although the actual running of its affairs are left in the hands of a Secretary who is also the Administrative Head of the fund.

The main function of the Council are set out in S.4 of the Decree as follows:

(a) To provide or secure the provision such courses and other facilities (which may include residential accommodation) for the training of persons employ and or intending to be employed in industry or commerce as may be required, having regard to any course or facilities available to such persons.

(b) To approves such courses and facilities provided by other persons.

(c) From time to time, to consider the employments in industry or commerce as appears to require special consideration and publish recommendations with regard to the nature and length of the training for such employment and the further education to be associated with training, the persons by and to whom the training ought to be given the standards to be attained as a result of the training and the methods of as-certaining whether those standards have been attained.

(d) To apply or made arrangements for the application of selection tests and of tests or other methods of ascertaining the attainment of any standards recommended by the council and may award Certificates of the attainment of those Standards.

(e) To assist persons in funding facilities for being trained for employment and industry or commerce.

(f) To carry on or assist other persons in carrying on research into any matter relating to training for employment in industry or commerce.[22]

2.3.2 ADMINISTRATIVE STAFF COLLEGE OF NIGERIA (ASCON) BADAGRY, LAGOS

The Administrative Staff College of Nigeria was established by Decree No. 39 of 1973.

OBJECTIVES

(a) To provide higher management training for the development of senior executives for the public and private sectors of the Nigerian economy;

(b) To provide and arrange for a comparative study and investigation of the principles and techniques of management and administration, and for exchange of ideas and experiences and for promotion of a better understanding between persons connected with management and administration in the various spheres of national life;

(c) To conduct research into problems of management and administration arising in different spheres of national life;

(d) To award grants, scholarships of travel fellowships for research in public administration and allied subjects;

(e) To establish and maintain a library;

(f) to undertake, organise and facilitate study

courses, conferences, lectures, seminars and the like and to promote the aforesaid objects; and

(g) To undertake and provide for the publication of formal and of research papers and books in furtherance of the aforesaid objects.

In November, 1978, the Federal Military Government reviewed the history and modus Operandi of the College and directed that, to enable the college cope adequately and effectively with the training need and requirements of the public services, it should hence forth restrict its note to the training of public officers. In order to meet the enormous and wide ranging needs of the public sector (Federal and State *Civil Service, Parastatals and Local Governments*), the College now combines the roles of an administrative staff college with those of a civil service college and undertakes both departmental training and job related management training for all categories of public servants in grade level 08 - 16. As a matter of priority, the college assists Large Federal Ministries and Parastatals to develop and building their own training units through the training of departmental - Training officers, bearing in mind that, in the final analysis, the bulk of the training of public officers will have to be done departmentally.

In order to fulfil its new mission to the nation, the College provides training for public servants in the following areas:

(1) Induction Course lasting two to three weeks for newly recruited administrative and professional officers on grade levels 08 and 09;

(2) Six weeks general management courses for officers on grade level 09 - 12;

(3) Six weeks Advance general management course for officers on grade level 13 - 16;

(4) Six weeks courses in personnel management and industrial relations to officers on grade level 09 - 12 engaged in such salaries;

(5) Eight weeks courses in management services Techniques for officers on grade level 09 - 12;

(6) Six weeks courses in Financial Management for Accounting and Auditing staff on grade level 10 - 13;

(7) Six weeks courses in project management for staff on grade levels 10 - 13;

(8) Six weeks courses in management development Training Officers on grade level 09 - 12;

(9) Nine - months post graduate courses for Diploma in Public Administration for Officers on grade level 09 - 12;

(10) Six - months courses for Certificate in Public Administration for officers on grade level 09 - 10

and 11 in the executive and secretarial cadres.

(11) Six weeks Advanced Financial Management Courses for Officers (both professional and non-professional) on grade level 13 - 16;

(12) Six weeks Courses in management consulting in the Public Sector;

(13) Occasional Seminars and Conferences as selected tropical issues ranging from one day to two and a half days to Chief Executives on grade levels 16 and 17 and other Public Officers.[23]

2.3.3 CENTRE FOR MANAGEMENT DEVELOPMENT (CMD)

The centre come into existence by the establishment of the Nigerian Council for management development, under Decree No 51 in 1973. The centre is the operational arm of the council, it centres for both public and private sectors.

ACTIVITIES

a) Its management development activities includes running conferences on and researching into management problems;

b) Provide financial and technical support to management training institution;

c) Conducting and training activities related to the problems raised by the Nation's - indigenisation programme.

d) To promote Management effectiveness and training

consciousness in both public and private sectors of the economy:

Inshort the centre, therfore has been saddled with the responsibility for dispensing the Nigerian Management know how?

The ITF provides the major sources of revenue for virtually all CMD's projects and programmes whilst the Federal Government finances its administrative expenses.

It has established linkages throuhout the country in all institution of high learning offering management studies which lead to the formation of Nigeria Association of Management studies (NAMS) also, to its credit are formations of:

a) Nigerian Association of Management consultants.
b) Institute of Management consultants
c) Nigerian Marketing Association NIMAKK and
d) Nigerian Association of small scale investors. In addition, it had take to publication of books and journals notably journal in Nigeria Management review which is a useful source of reference for management trainees amd practicing managers.

2.3.4 OTHER DEVELOPMENTAL CENTRES

There are in plant training centres of Federal and state Governments and parastatals Bodies. Most of these centres are well known to be providing very good training for their specific requirements, and for the

contribution to the common post of skilled workers. For example that of Nigerian Railways, National Power Authority, P and T, Oshodi Central Bank of Nigeria Training School Lagos, Artisan/Vocational training centres, the intermediate and relevant technology, Jos. The opportunity industrialisation centre (OIC) Lagos, Universities and Polytechnic, Obare management consultant/vocational studies Lagos etc. All help in various measures towards providing the country with required qualified manpower for the proper implementation of the country's National development plans.

2.4 Literary works already done in the field of Human Resource Development and Productivity

Human resource as a dynamic factor for any institutions and organisation being an element of management. Human resource is mostly concerned with grouping and co-ordination of day-to-day activities in a way that both the aims and objectives which requires the assigning or delegating or sharing of those activities to all units in the work environment.

2.4.1 Huse define it as a "modern Manager" human resources, through which wealth of an organisation is achieved[24]. Human resources play an important role in any economic activities. Also in economics term, human resource is define "as the resource which could be described as the accumulation of human capital and its effective investment or utilisation in the development

of an economy". In another development, Huse, E.F. said that the modern manager argued that human resource is a process through which the wealth of an organisation is achieved.[25]

2.4.2 On the other hand, Ubeku A.K. define it as a manpower planning which is that part of organisation which is concerned with future manning of planned and evolutionary organisation structure.[26] Another author in person of Elton Mayor, briefly said "human resource as a pyramid needs of the organisation, social and economic[27]. Another school of thought argued that human resource development helps lead people to further and richer lives. In their own contribution, Harbison and C.A. Myres see human resource development "as a process of increasing the knowledge, the skill and capacities of all the people in a society"[28]. In order to complement their efforts, Victor P. Diejomaoh simply define it "as the totality of the energies, skills and knowledge available in the country"[29]. Thus, human resources as an important and dynamic factor in any economic activity need to be taking care of and develop in order to help meet the organisational goals.

2.4.3 Before I move further, there is need to discern the difference between training and development of staff or employee in a particular organisation. A question frequently asked by some people is what is the

difference, if any between education, training and development? It will be useful therefore for the purpose of this study to briefly define what these term means.

(a) **Education**

Education for instance, is defined as the basic instruction in knowledge and skills designed to enable people to make the most of life in general thus, classified as personal and broadly based.

(b) **Training**

G.A. Cole says that "training on the other hand, implies preparation for an occupation or for specific skills, thus it is job-oriented rather than personal.[30]

(c) **Development**

This is refer to or suggest as a broader view of knowledge and skills acquisition than training - it is less job-oriented than career-oriented. Development according to G.A. Cole, concerned more with employee potential than with immediate skill.[31] He further said that training and development, however, are matters for individual organisations to sort out. It is assumed that some organisation see the importance role of training and development as a source of further provision of skills and the improvement of employees motivation.

2.4.4 Human resource development according to one

school of thought deals with the activities undertaken by an organisation to expose an employee to perform duties effectively or to perform additional duties and assume positions of importance in the organisation hierarchy. In effort to find the relationship between human resource development and productivity, reference will have to be made to Walton hypothesis which state that:

(a) In work situations where employees are granted minimal rights, productivity tend to be low - owing to the demoralising effect of resentment and anxiety.

(b) Productivity tends to rise up to a point, as the quality of working life improves but

(c) Beyond a given point, productivity tends to level off finally even to a point of decline.[32]

In the same analysis it can be seen that human resources development have no much impact in employees performance or output. However, human resources development are among various ingredients in which staff productivity can be improved.

Fein, asserts that "to achieve increase in employees productivity, management must provide the basic conditions which will motiviate workers to increase their output, job security, good working conditions, good pay and financial incentives."[33]

2.4.5 Pigors and Myres said, that not everyone will agree with the conclusion and there must be evidence to the contrary. They said, however, that the most informed and reasonable persons would have to agree that "the most effective productivity results will be obtained when management creates conditions which workers perrceive as beneficial to them and where productivity gains are shared with employees.[34]

2.4.6 According to another school of thought, they argued that praise and criticism affect productivity, if the performance level is related to advancement. They also further empphasis that frequent feedback increases and improves attitudes and relations with the supervisor. It is our contention that human resources development only have little or no bearing in an employees productivity without being motiviated and better utilised by his/her employer. It is in this same analysis that Fein said, "Management must perceive ways and means of providing a good working conditions that will enhance the employees productivity."[35] Thus, is Mac-Gregor's theory Y, He emphasised that management should create an environment in which employee can put in more effort to achieve his goals which can also contribute to the organisational objectives. Theory X has a contrary view on employees, attitude to work, it state in part that "human being inherently dislike work

and will, if possible avoid it".[36]

2.4.7 It is on this basis that Herbert G. Hicks & R. Gullett in their book titled: Management, concluded that if the manager accepts the assumptions of theory X, he will be obliged to exercised high levels of control. If on the other hand, theory Y is accepted, less control is necessary. The case of employee being productive can either rest on training and development or Mac-Gregor's theory X and Y but for the management to provide a good working environment and other movitational factors to further stimulate the training and development acquired.[37]

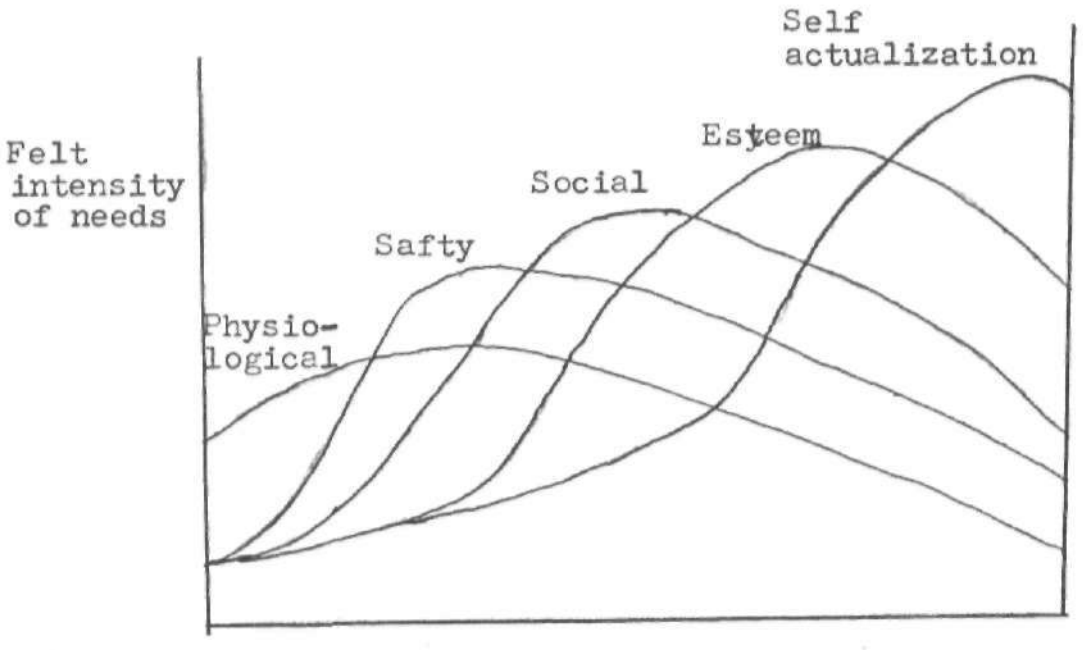
2.4.8 In a working situation, particularly the civil service where they lack such motoviational factors, for instance, an employee who was sent on course, returned after acquiring additional qualification, on the competion of his course of study he suppose to be given additional responsibility on assumption of duty. But to his dismay, he may find himself left in his former position unelevated on return.

May I ask whether the action taken by his employer will improve the officers productivity? Rather, it may amount to demoralisation or frustration of a sort. In this perspective, employer or management need to make up to meet their employees needs that will eventually boost their moral or enhance their productivity. It is worthy of note here that training and development opportunity opened to him has little impact on his

productivity or output. In Walton hypothesis, he said, "productivity tends to rise up to a point, as the quality of working life improves, but beyond a given point productivity tends to level off finally even to decline.[38]

2.4.9 Similarly, example given by Maslow's studies of human motivation led him to proposed a theory of needs based on an hierarchical model with the highest needs at the top. The basis of his interest was on measures to motivate workers in an organisation to improve their productivity. Maslow affirmed that, man is a perpectually wanting animals. Thus, his needs or wants have to be fulfilled, if he is to actualise his goals.[39]

He then suggests that there are five basic human needs, arranged in a hierarchical order of priority. The needs are:



Success-Level in Satisfying Needs. (Figure I)

Level of attainment or personal growth. The peak of each level must be passed before the next level can begin to assume a dominant role. With self-development, the number and variety of wants increase. However, the different needs of an individual are simultaneously active.

(From David Krech, Richards. Crutchfield, and Egerton L. Ballachey, (1962). The Individual Society, Mc-Graw-Hill, New York, P. 77.

(a) **PHYSIOLOGICAL NEEDS**

These are the basic physical needs or drives such as hunger, food, shelter, thirst, rest, protection from the elements and exercise.

(b) **SAFETY AND SECURITY NEEDS**

This is the need to feel secure, to feel free from threats of physical or psychological danger or deprivation.

(c) **SOCIAL OR LOVE NEEDS**

This is the need to belong, to be accpeted, to give and receive Love, i.e. affection.

(d) **ESTEEM NEEDS**

This is the need for respect and in the eyes of both oneself-respect include a desire for achievement, confidence and independence. The need for respect for

other includes a desire for recognition, appreciation and prestige.

(e) **SELF ACTUALISATION NEEDS**

This is the need to fulfil ones full potentialities, to become what one is capable of being.

Some critic says that Maslow hierarchy of needs is not workable because human needs may not necessarily fall in the order he as arranged and that different people have diferent needs and that what may constitute a basic need of one person may not be the same for another.

However, the basic idea is that employees have needs which the employer must perceive and endeaviour to satisfy in order to enhance their productivity.

2.5 CONSTRAINTS OF MANPOWER DEVELOPMENT AND COURSES OF LOW PRODUCTIVITY

2.5.1 The problems/constraint of manpower development can not be pin-pointed easily because of interwoven factors that militate against their success.[40] For instance in this country right from childhood (independence in 1960) we inherited a foreign educational system meant to serve our colonial masters rather than to develop ourselves. We carried as our system such a system all along that has (limited bearing to our social, cultural and economical needs). Apparently again, we have the government placing University system on the higher pedestial than the

Polytechnic system. There is also short-fall of funds for research/project programme not with-standing the economic recession as a result poor quality of graduates without adequate practical experience. This will not augur well for any meaningful desired - qualitative education and transfer of technology. Above all there is complete indifference to teachers welfare by nearly all the governments which brought about wild-cat strikes from all corners of the country like that of ASUU, POSSAN and NUT. Putting foward their demands for fulfillment. Therefore, such trend would not lead to the realisation of the set objectives so, it is necesary for all interests to be backed up with practical action to encourage and improve welfarism. Another crippling problem is that of scoring political gains, victimization, Federal Character issue and state quota system. Finally one can see that the up surgence of problems/constraints affecting the public corporation and institution as studies in this report are hatched by the major afore-mentioned.

2.5.2 The issuance of course circulars from the bodies charged with manpower development (Ministry of Labour and Establishment, etc.) were usually not done promptly to enable other Arms of the service structure to be well informed of any course opening. In most cases, the circulars are limited to officers within the main offices in the Headquarters rather than spread

them to cover those in outside/state branches. This situation is grossly responsible for delays in submitting nomination forms and sometimes leaving officers to fight for themselves by lobbing, at the end, subjective selection and nominations are made.

2.5.3 The trainers in the various Ministries i.e. (Departmental Training Officers in the Civil Service) are not fully educated on how to identify - training/ developmental needs, as a result most officers are sent on courses without specifically corresponding with their needs nor that of the Ministries/Departments thus, misplacment of developments needs.

2.5.4 The technique for performance appraisal, for instance, open reporting system normally used has been abused/misused, despite the fact, it has become an annual report and no progress report is supplied on officers and above all the report are not fully considered while selecting officers on training/development programmes.

2.5.5 There is considerably lack of counselling/ guidance as a result most employees develop a lienative response and have depressed behaviour.

2.5.6 The basic entry qualification specified in the scheme of service (job-specification) for major jobs are neglected while recruiting or in selection of

officers for employment. This has brought about glaring incompetenence by providing officers that have less promise for the future as a result most of them are not stable thus creating higher labour turn over rate/cost.

2.5.7 Staff Transfer - The purpose of transfer is defeated, since majority of such transfers/postings are done in bad faith to frustrate individuals rather than putting them in positions that are challenging to explore their potentialites that may lead to effective on-the-job training.

2.5.8 On-the-job training to a great extent is counter productive, because senior officers in most cases refuse delegating some/part of their responsibilities to their subordinates with a view to groom them in shouldering higher responsibilities in the future. Though, where the delegations exists, the pressure of work is more emphasized on employees that have closer relations with their superiors or they proved to be the best as a result they are overloaded while others are left virtually with nothing to work on thereby creating redundancy.

2.5.9 Compensation as one of the motivating factors in having a stable human resources are not fully giving to officers/staffs who merit it. For example, in terms of promotion, seniority is still giving preference. This situation was responsible for breading frustrative individuals that are reluctant in committing themselves

towards goals achievement.

2.5.10 There is vertually no skill inventory for instance, where a reasonable post of qualified employees can be readily picked to occupy positions or nominated for further development. Bacause proper employee records are not kept, even if there exist one, no up-dating are effected as a result, it is impossible at a glance to render correct statistics such as:

(a) The total number of officers trained/date, type of training given, when completed and position given on completion or proposed to be given on completion.

(b) When are they due for confirmation, types of examinations required and taken as governing conditions for such confirmations with dates, date of confirmation. Moreover, gazetting of appointments, promotions, transfers, secondments, resingations, retirements and general disciplinary actions taken on officers are not printed on schedule nor fully distributed and in most cases they are neglected completely. Such problems were attributable for lengthy - acting appointments on vacant posts, and this lead to having most top posts occupied by those without transitional experience.

2.5.11 Methods of Selection envolved in selecting

staffs for training/development is poor - most members constituting the selection committees lack specialist qualification to determine and identify a suitable pool of staff for development.

2.5.12 Retention of Serving Officers to teach in staff training centres without actually equipping such officers with the required or acceptable level of education/experience to enable them have confidence and ready to impact require knowledge to staff trainees is responsible for having half-baked registry clerks that creates a lot of misfiling of documents and barricading of information channels.

2.5.13 Refusal by certain officers to attend courses even when nominated and given admissions. They presumed to occupy lucrative positions which they wouldn't like to part with and in most cases they lack the required skills expected to a holder of such positions. Further more, despite their refusal they still hang on their positions as a result:

(i) They blocked chances of other prospective staffs and are highly contributing to ineffectiveness of the corporation.

(ii) On certain occasions where such staffs accepted proceeding on training, they are later found to discontinue with the course on shoddy grounds and no effort is made to force them to attend or refund any cost incurred on them.

2.5.14 The recommendations made by Udoji and the Policy white paper approving it for conversions of officer i.e. Clerical cadres to executives grade, executive cadre, professional/technical/specialist cadres to administrative cadres, etc. These prescribed conversion where in progress but how they are meted to be fulfilled by officers are ill-defined and left room for lobbing. Specificially in CBN, conversions from Labourers, Messengers, machinest to clerical line and clerks to senior staff (mamangement) cadre had being frauth with so many obnocious policies, victimization after such staff had acquired additional qualifications. This has left most staff frustrated and disappointed on their chosen career.

2.5.15 No systematic training/development programmes that exist as most of the programmes are done haphazardly not with standing the economic depression and restructuring of priorities, as a result certain categories of manpower are over-developed while others under-developed.

2.5.16 Lack of any formal evaluation criteria to determine the end results of courses attended by officers in relation to needs attached to such development programmes both corporate and on the job training. In this regard there are problems of:

(a) not having the right persons in the right job and

at the right time.

(b) credit worthiness of a particular developmental efforts, its strength, weakness and corrective action needed, etc.

2.5.17 The development of middle level manpower in Central Bank of Nigeria specially the intermediate and junior staff who are expected to benefit from training schemes have in large number lost confidence in the administration of the scheme. There is poor supervision and organisation. Some staff are invited for the some course twice while others are left untrained. Clerks are invited/trained for supervisory post which they may not be promoted to for the next three to five years while staffs on supervisory grade are left untrained for their new status/responsibilities. In other words the training does not serve/form the basis for staff promotion.

2.5.18 Creation of certain estabilishement after the persons to occupy them had already stayed for years on one post especially in technical and professional cadres. In addition they lack any encouragement for self development as no well-defined career plans and sources of information for officers to see their opportunities with a view to reach their limits in their working life and finally.

2.5.19 The interactions of environmental forces both

internal and external impinge upon the smooth running of the service. Particularly the structural adjustment programmes SAP caused by the economic depression has denied state of sufficient funds resulting in suspending over seas courses cutting/delaying payment of course allowances, tuition fess etc. or even complete stoppage of them. Thus denying officers the only re-inforcement. In addition no specific policy exists in practice since their implementation are not procedural/structured towards what they are meant to achieve.

2.5.20 Technology - This simply implies the use of ideas, techniques, innovation, methods and materials to aurgement the achievement of the stated objectives. The absence of these skills outlined above will have serious effect or impact on productivity.

2.5.21 Sociological Problems - Most workers lack a sense of belonging and somehow act as strangers in the work place. In carrying along with this, there is the tendency for the two parties - employer and employees not to have a full sense of commitment and dedication.

2.6 INSTRUMENTS FOR TRAINING AND DEVELOPMENT

Training is designed to make staff effective on their present assignments. Development on the other hand is preparing staff for future roles. There is little difference btween the two terms from psychological assessment. The development problems is an extension of

the training problems. Gagne (1962), proposes a series of questions to be used in analysing a training problems.[41]

(a) what are the task components of the job?

(b) what 'mediates' or influences performance on these job tasks, that is, what must be learned in order to enhance job performances?

(c) how should these mediators be broken down into elements for purposes of training?

(d) how should the learning of these elements be sequenced in order to ensure optimal progression from one learning stage to another and to provide for maximum mediation effects or transfer to the job?

Given a succession plan, a super-ordinate grooming a subordinate for future role must ask questions similar to the one's mentioned below.

(1) What are the components of the future jobs?

(2) What facilitates performance on the future jobs?

(3) How should the performance facilitators be broken into modules for preparation for future roles?

(4) How should transferability of exposure to the role setting be ensured?

The following instruments may be used to answer the above questions.

2.6.1 **CHECKLISTING:**

Both current and future jobs have components as identifiable through job analysis. An effective performance on all the components of any job will require appropriate skills and attitudes. Management roles demand a lot of skills for planning and organising work, for handling information, and for dealing in a - co-ordinates, consistent and graceful way with people. A checklist of behaviour is a good guide to the identification of skills deficites. The management process consists of the following behaviours among others (Compbell, et al, 1970).[42]

(a) Managing work rather than people;

(b) Planning and organising effectively;

(c) Setting realistic goals;

(d) Deriving decisions by group conscensus but accepting responsibilities for them;

(e) Delegating frequently and effectively;

(f) Relying on others for help in solving problems;

(g) Communicating effectively;

(h) Stimulating action;

(i) Co-operating with others;

(j) Showing consistent and dependable behaviour;

(k) Winning gracefully, and

(l) Expressing hostility tactfully.

Behaviours incorporate attitudes (Krech et al, 1961). Thus checklisting facilitates the answer to the first

two questions posed in the training and development problems it also provides the basis for the actual training and development programmes in both the behavioural and attitudinal domains.

2.6.2 OBSERVATION

Job behaviours have to be observed in order to identify skills deficits and negative attitudes. Structured observations is an important techniques in ascertaining training needs. Staff performance appraisal should include reports on structured observations rather than emotional and public relations statements. It is on the basis of structured observation that each head of department can advise the training manager or outsider/ consultant trainers in developing the training contents and modules. This answers the third question under the training and development problems.

2.6.3 RATING

Rating is scoring staff according to performance based on structured observation. It should be a basis for recommendations for promotion to assume higher responsibilities. Rating is particularly useful when opportunities for development are less than the number of staff with comparable potentials.

2.6.4 TESTS

Tests are useful in answering the last question of the training and development problem. Tests should be

administered to find out the extent to which the training performance has satisfied its objectives. Have the purported materials been actually taught? This is the internal criterion of training effectiveness. Tests should also be administered after the training/ development programmes to evaluate its effectiveness in modifying the behaviours and attitudes of participants on their jobs. This is the external criterion of training effectiveness. Attitude scores and achievement tests are often used for the internal criterion. Measures designed to assess actual changes in job behaviour may include ratings, economic indicators, grievances rates or turnover within a manager's unit.

2.6.5 Psychological assessment techniques may not resolve all, or even most of the important issues which relate to manpower sourcing and resourcing in the Nigerian organisations. Some may even doubt their relevance to the socio-millieu in which organisations operate in Nigeria. Who you know rather than what you are, organisational politics, existing staff patronage, psychological catchment area and even religion are constraining factors in the use of psychological techniques in the personnel function of organisations in Nigeria.

A few issues have however surfaced. First, the interview may have been more abused than used

effectively as an assessment instruments in Nigeria organisations. For example most establishments begin and end up with the interview in assessing appointability. The interview should be the last, if ever necessary, stage in assessing appointability. As at now most companies know little about their recruits as persons beyond what is discernible on the basis of the curriculum vitae submitted prior to the interviews. Secondly, Staff performance appraisal is a serious business it requires structured observation which most managers have little training to make. In most organisations the basis of such observation, job analysis, does not exist. Consequently, most recommendations for promotion and training are subjective. Third, training and development are based on sound analysis of needs. The effects of training are also measurable. For now, it seems most training activities in parastatals have the attributes of paid holidays.

But the future of psychological assessment techniques in the personnel function in corporations is not bleak. Some instruments are available locally. A few organisations, mostly foreign managed or owned, use such techniques. Some of these companies, however, administer culture - bound aptitude tests on all categories of applications whose educational back-grounds range from sub-degree diplomas to doctorate degrees. This raises serious questions of validity. But

at least there is the hope that psychological techniques are feasible in Nigeria industries. All other things may be loaded into the decision making with the result of the objective exercise as the bottom line. Thus the use of psychological assessment techniques does not supplant business tradition it only modernizes it, giving personnels decision-makers more confidence.

2.7 **MOTIVATION**

The aspect of training and developing staff brings us to another important task of the personnel department and that is, the motivation of staff, if people are to work hard, dedicatedly and happily they must be given attractive terms of employment such as attractive salary, a reasonable number of days as annual leave, pension/gratuity, attractive allowances, advances, and other social fringe benefits. In other words, personnel department of any corporation must have it as its duty to devise an effective and incentive system which will motivate staff to work efficiently towards the achievement of the organisation's objectives. In the realisation of motivation as an important tool of management, many studies have been conducted to find out ways of motivating workers to obtain maximum co-operation from them. There is, therefore no organisation either public or private that does not apply motivational factors to induce co-operation and

productivity of its workers. Motivational factors invariably involve cost and management is often very sceptical of service conditions improvement proposals from personnel department. It is the duty of personnel department to use their time and analytical skills to consider all aspects of the utilisation of human resources and judge how best they fit into the general service conditions prevailing in the industry. With realistic approach, the management will realise that negative attitude can only lead to ineffective management and lack of foresight. It is a bad management practice to make all the staff in an organisation to feel that their social status are ignored or are regarded as intangible.[43]

The personnel manager should seek the best possible service conditions within the establish industry for the staff. Service conditions should always be reviewed in order to keep in line with the social and economic conditions of the country.

2.8 IMPROVING TOTAL PRODUCTIVITY: MBO (MANAGEMENT BY OBJECTIVE) STRATEGIES IN CBN

The management by objective approach to management strikes the means between the systems and the human relations approaches to management. It resembles the one in its demand for a decision to be made on the objectives of the organisation. It borrows a lead by capitalising upon the individuals or man's wants and

needs. It seeks to homogenize the best of all approaches. The decision must be taken before the objectives are stated; the wants and needs of man are include among the physical and psychological requirements as defined by the classical and human relations approaches. Thus, the MBO approach does not veer in one exclusive direction. It distills the quintessence of every approach to management. MBO represents the very best concepts ever espoused by any management thinker from the down of history. It has accordingly ben defined as:-

"A dynamic system which seeks to integrate the organisation's need to set and achieve its objectives or standard of service with the manager's need to contribute and develop himself."

Peter Drucker defines MBO as "What the business enterprise needs is a principle of management that gives full scope to individual strength and responsibility,[44] common direction vision and efforts; establishment of team work, and harmonisation of the goals of the individual with the common goal. The only management principle that can do this is management by 'objectives and self control", 'The practice of management by Peter Drucker MBO apprach setting objectives, comparing actual with standards.

MBO is thus the essence of any good fruitful, purposeful management that has ever been done. It is

not a new concept, it merely emphasises a sense of direction, a purpose which is to be continually viewed to monitor progress or review performance MBO is like a general mathematical model of how to achieve maximum efficiency in running an organisaion. It quantifies the optimum levels of the variables or inputs necessary to achieve a given result. As they have done to other fields of human endeavour, quantitative techniques have reared their gargon heads into the field of management too. Whatever may be our personal affection or antipathy towards them, their invasion of the field of management is certainly wholesome and welcome for quantitative techniques have that magic ward about them which makes solution to problems at once exact and incontrovertible - attributes that make an objective well defined.

The following diagram taken from system engineering can be used to illustrate the MBO approach.

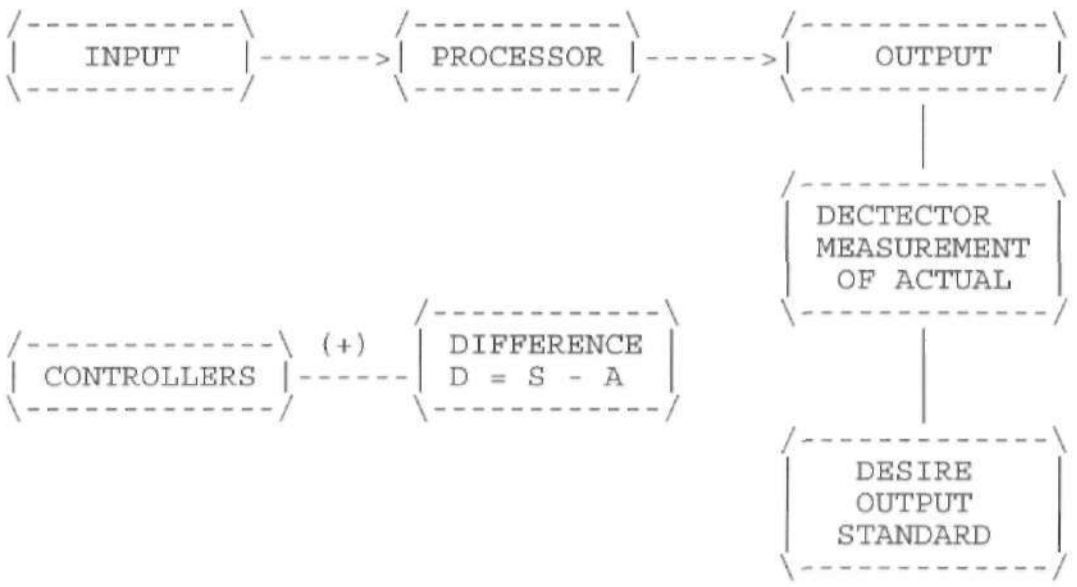


Figure II

Source: MBO in Relation to CBN by Adeniyi A.A.
CBN Bullion Vol. 8 No. 3 P. 36

The diagram could represent a machine like an air-conditioner or refrigerator. The "input" is the electrical energy or fuel required for the operation of the "processor" representing the compressor. The "detector" is the thermostat which signifies when the standard or desired output is attained. The "Controller" is a switch to be operated as dictated by the relationship between actual and desired outputs of cool air.

The simple system can be likened to the system in the Central Bank of Nigeria. The "Input for the Bank consists of Capital Assets - Buildings, equipment and

materials, Labour is the processor". The internal audit role is the "detector" of variations, if any, between set standard or regulations and actual output or performance. The Board of Directors represented by the Governors and the executive Directors, is the ultimate controller that would insist upon the equation of actual output or performance with set standards or objectives or consider the justification or variances. Thus in the ideal situation the equation D = S - A must be zero, where:

D = Difference
S = Standard
A = Actual performance

In such an ideal relationship between S and A, provided S was set at the optimum i.e. sufficiently challenging to the pool of resources and facilities, the targets set must have been met exactly. In practice owing to some constraints, actual performance "A" may not be equal to the standard set, "S". This is why possible constraint must be countenanced at the planning or objective setting stage.

2.8.1 PRACTICAL APPLICATION OF MBO TO THE BANK WORK

Management by objective is relevant to all work, but it is not equally easy to apply. As a rule the areas of greatest need of its application are:

cost areas and key result areas. In the CBN the internal Audits as well as organisation and methods O and M guard some of the cost frontiers, and the

Budgeting and control office; even in the public sector - (non-profit making organisation) running cost are still bound to be rationalised. The current global economic recession and Nigerias no means share of it has taught us this of course, cost control must be positive, constructive and forward looking. It does not necessarily seek to provide the cheapest facility for performing job; rather it endeavours to supply such facilities whose effectiveness and efficiency are consistent with their cost.

The key result areas in the Bank comprises:

(a) Direct pursuit of the Banks principal objectives by Domestic/Foreign operations, Exchange Control, Banking Supervision, Finance and Accounts and Research department to mention but few departments.

(b) Provision/Maintenance or welfare of human and material resources by Administration and personnel.

(c) Monitoring or appaising performance and raising the level of efficiency in the Banker - internal audit and all department/division during staff performance appraisal.

In all these areas, MBO, like work measurement are applied with varying degrees of exactitude.

2.8.2 GUIDES TO SETTING OBJECTIVES

If we accept that objective can be measured quantitatively or qualitatively, then we have crossed the hurdle on our path to setting measurable, standards or objectives for any work whatsoever.[45]

So many authors offers guides to sound objective setting in different words. The core of each set of guides is not different from another. The following six criteria can therefore be safe guides to the soundness of an objective.

(1) MEASURABILITY

For example, if the directorate of enterprises wished to increase profit it would require to give a measurable guide of margins at which to aim. Thus an objective "to make profit" is not measurable; but an objective to make profit by reducing scrap value from 5% to 3% is measurable.

(2) CHALLENGING IMPACT

In order to be meaningful, an objective must be calculated to make an optimum use of resources available. It must be something in addition to resting on one's past performance. Unless the objectives involve reaching, not only may the end of the road be approaching falling standards will ensue eventually.

(3) **REALISM ABOUT POSSIBLE CONSTRAINTS**

The objectives, while being sufficiently ambitious must also take into account possible external and internal constraints or else it is neither fair nor realistic.

(4) **CLARITY**

If objectives are not clearly defined, performance review can not be possible or fair. They are clear if they can be reasonably agreed upon by the boss and the subordinate for whom they are set.

(5) **GUIDE TO ACTION**

Sound objectives must form a proper guide for action enabling the most desirable of alternative actions to be selected. If they are too numerious, they would be most unevenly weighted and minor ones might be inadvertently emphasised and executed at the expense of major ones.

(6) **HARMONISATION WITH THE GLOBAL AND OTHER SPECIFIC OBJECTIVES**

Each division's objectives must be related to the other divisions objectives while all specific objectives must dovetail into the corporate objectives. Thus no section in the Central Bank of Nigeria may set an objective which runs counter to the Bank global objectives defined in the CBN Act 1958 amended by CBN. Amendment Act 1962 and Decree 1967 section 4 (1). "The principal objective of the Bank shall be to issue legal

tender currency in Nigeria, to maintain external reserves, to safeguard the international value of that currency, to promote monetary stability and a sound financial structure in Nigeria and to act as banker and financial adviser to the Federal Government.

2.8.3 THE INNOVATIVE CHARACTER OF MBO

Management by Objective is an old concept imbued with an innovative character. Its successful practice calls for shedding the toga of the historical authoritarian/ paternalistic approach to management. It demands warming up to the ideals of participative management.[46] The authoritarian approach proceeds from the false premise about the average man for example that, he dislike work and must be coersed to be productive on the contary the participative management notion accepts that a sense of identity and self ful-filment is all that man requires to work. Douglas Mac-Gregor sums up these two approaches into learning to the authoritarian view point and Theory Y which acknowledges that talent and initiative which can be harnessed for results are broadly distributed and not narrowly littered within a given human group. MBO strikes the happy medium between these two extreme schools of thoughts. It recognises that man can at one time "soar to excellence and at another sink into degradation" by involving him in setting fair and measurable targets for himself, you can most often involve the best of his

facilities in his task. To get the best from a worker, as a manager one needs to:-

(1) Tell him clearly what to do;

(2) Give him facilities to do it;

(3) Comment on his progress after periodic performance reviews;

(4) Help him if necessary by training when he needs help.

(5) Accord him recognition by pay and promotion or succession planning.

It goes withoput saying that the manager must know his own proper functions, summarised in this memory aid "OOCCM" representing:

- Objectives;
- Organising and delegating the work to be done;
- Co-ordinating the effort of all sections;
- Controlling the feedback from periodic performance review; and
- Motivating the staff to get the best from them.

2.8.4 PROBLEMS AND PROSPECT OF MBO

The assertion that MBO is a useful management concept is without question, What is like climbing a greasy pole, is the application of MBO to certain types of jobs. The manager in charge of cash will querry as to how to relate MBO to his cashiers. So will the treasury manager wonder what relevance MBO has with his

repetitive work of issuing currency or accepting deposits from bankers whose volume of attendance he cannot influence, though he could predict from the cyclical behaviour of volume of deposits and withdrawal. But even in these difficult terrains of MBO implementation the truth is difficulty not impossibility; in other words, the issue is that of scope of applicability. There are returns to be rendered on schedule which could be displayed on the action plan. There are improvement in the quality and timeliness of performance which could be set as targets. Setting and monitoring of these targets with the co-operation and participation of the subordinates ensures that subsequent performance appraisals are as objective as possible.

Critics of MBO often ask to what extent MBO target setting is participative that is, democratic rather than authocratic and imposed on subordinates.[47]

These MBO critics hide under the canopy of the management theory propounted by Chris Argyris, "that organistions have a characteristics of inducing the infantile behaviour of docile corporate authority".[48] In other words, they sneer that joint superior/ subordinate participation in the setting of objectives is a ruse or mere theoritical abstraction, one cannot prescribe MBO as a flawless management concept. What one is saying is give it a chance. Its advantages out-

weight its disadvantages if every one is determined to institute an improvement plan in his own area of responsibility and back up the plan with suitable spaced performance reviews then he/she is at the threshold of a golden era.

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3.0 CHAPTER THREE

3.1 HISTORICAL BACKGROUND OF CENTRAL BANK OF NIGERIA (CBN)

The growth and development of international trade along the West African Coast played a major role in extending the medium of exchange beyond trade by barter in the nineteenth century. The 'Native Currency' system which relied on items such as cowries, manila, brass and copper rods, had to accommodate foreign currencies such as Maria Theresa dollar and British Silver coins increased trade motiviated the setting up of the Bank of British West Africa (BBWA) in 1894, thereby drastically reducing the barter system and ushering in a rudimentory form of commercial banking. The issue of legal tender currency for West African region was however deffered till 1912; when the West African Currency Board (WACB) was established. The WACB was an off shoot of the recommendation of the Emmot Committee set up by the then Secretary of State, the Rt. Hon. Lewis Harcourt. The WACB retain the services of the BBWA of its currency distribution agent. It set up four *currency centres in Lagos 'Nigeria', Accra 'Ghana',* Freetown 'Sierra Leone' and Barthurst 'The Gambia'. The currency in circulation in West Africa increased steadily through the 1950s in response to the growing demand for West African primary products and increase in the World prices of such products.

The WACB however did not have discretionary control over the money stock of the territories under its shpere of influence. It was set up primarily to promote the financing of the export trade. Specifically, it was charged with issue of a West African currency, the exchange of existing currencies, the repartration of such currencies and the investment or reserves. There was a fixed parity between the local currency and the British pound, while the currency had 100 per cent sterling coverage. The reserves were invested in Britains and this, in a way, facilitated Nigeria's international payments. However, because the WACB was automatically linked to the British system, the investment Policy was rather conservative in the sense that sterling reserves were invested only in Britain. Moreover the WACB could not engage in monetary management neither were Nigerians trained in the art. In order to eliminate this deficiency and promote the growth of the domestic money and capital markets, especially as the country matched towards political independence in 1960, the Central Bank of Nigeria (CBN) was established by the CBN Act of 1958. The Bank commenced business on 1st July, 1959 with an initial capital of ₦3,Million.

3.1.1 THE LEGAL FRAME WORK FOR CBN

The legal backing for the CBN rests mainly in the central Bank of Nigeria Decree No 24 of 20th June 1991.

Which supercedes the CBN Act of 1958 and its subsequent amendments and the CBN, (currency conversion) Act of 1967 and its amendments; The promulgation of the CBN Decree Marked an important epoch in the history of CBN because of the expanded powers conferred on the Bank to execute its primary duties. To further strengthen the supervisory activities of the Bank, the Bank and other financial institutions (BOFI) Decree No 25 of June 20th, 1991 was also promulgated. The BOFI Decree supersedes the Banking Act of 1969 and its amendments. The two Decrees - CBN and BOFI Decrees 1991, by conferring grater powers on the Bank in the areas of bank supervision and examination, monetary management and enforcement of prudential standards in banking, have made it easier for the Bank to promote monetary stability and soundness of the financial system. The CBN Decree makes the Bank subject only to the authority of the president of the Federal Republic of Nigeria. The Decree also stipulates the maximum financial accommodation by way or ways and means advances that the Federal Government may obtain from the Bank. The BOFI Decree, among other things centralises the functions of licensing, as well as the regulation of banks and financial institutions in the country. The power of the CBN to issue "cease and desist" orders to speedup legal actions and to handle the problem of ailing or failed banks has been

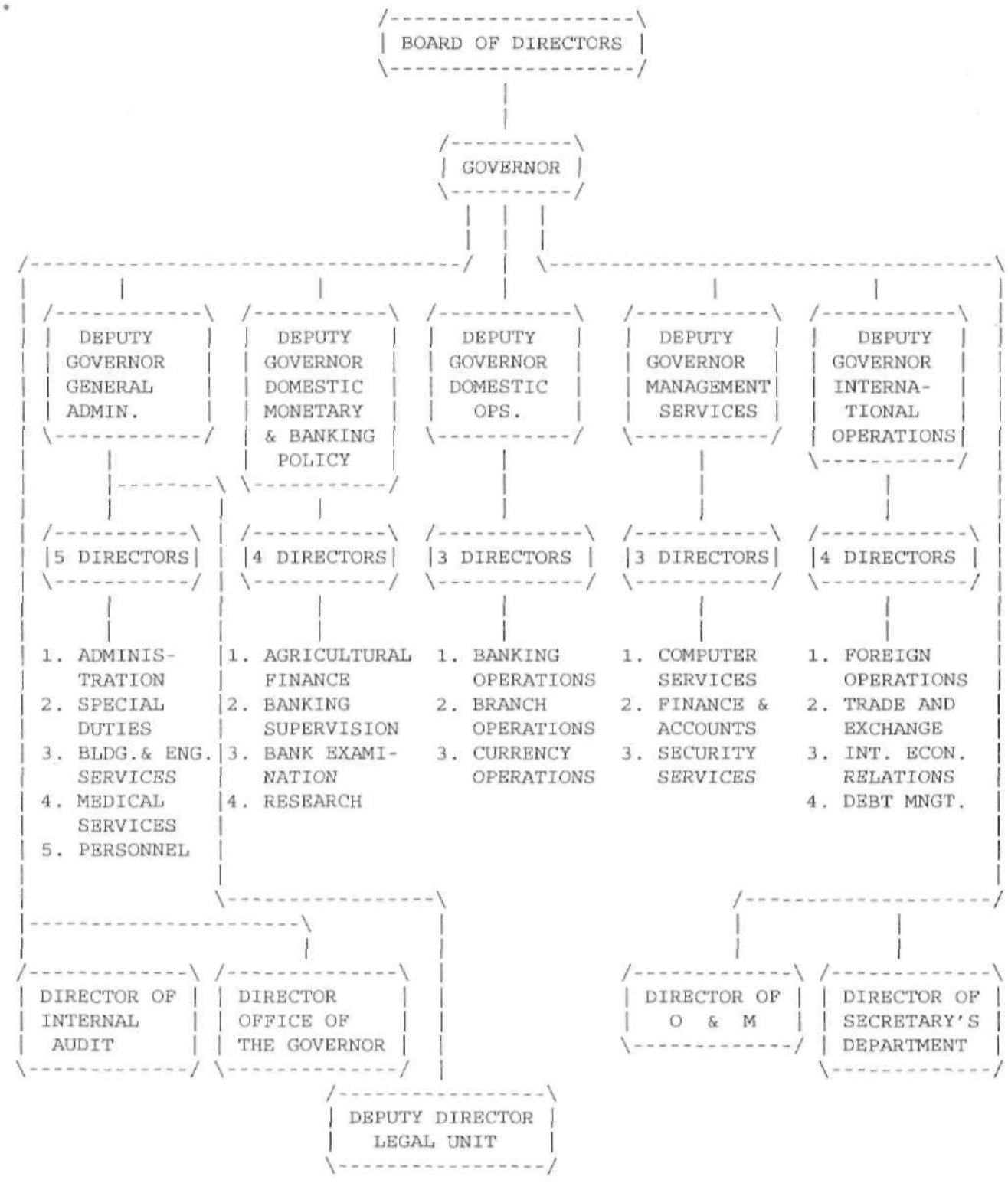
tremendously enhanced. In short the CBN and the BOFI Decrees further strengthen the Banks powers to co-ordinate and control the pace and direction of monetary and financial activities in Nigeria.

3.1.2 OBJECTIVES OF CBN

The major objectives of the CBN, as currently defined, remain the same as when the idea of a Central Bank of Nigeria was first conceived. Specially, the principal objectives of the Bank are to issue legal tender currency in Nigeria. Maintain external reserves, to safeguard the international value of the legal tender currency, promote monetary stability and a sound financial system as well as act as banker and financial adviser to the Federal Government and banker to the banks. To achieve these objectives, particularly the promotion of monetary stability and a sound financial system.

3.1.3 ORGANISATIONAL CHART OF THE CBN

ORGANISATIONAL CHART OF THE CBN



Source - CBN Briefs Series 92/02 page 7. Figure III

3.1.4 THE ORGANISATION OF THE CBN

A board of Directors whose chairman is the Governor (chart), is responsible for the policy and general administration of the affairs and business of the Bank. The Board formulates monetary, exchange rate and other economic policy proposals for approval by the presidency. The top Management of the Bank consist of the committee of Governors (The Governor and five deputy Governors), which undertakes the day to day Management of the Bank. Given the extensiveness of the function and activities of the Bank, the committee of Governors is assisted by Heads of Department (HODs). These departmental Directors, their deputies and assistants and other officers advice the top Management on various aspects of Central banking as well as administrative matters.

The head offiice of the Bank is in Abuja - the Federal Capital Territory, formarly, it was in Lagos. To facilitate the efficient execution of the Bank, functions over Nigeria's vast territory, some central banking activities are decentralised and operated through four zones - Bauchi, Enugu, Ibadan and Kano, demarcated by the CBN. In addition to the zonal centres, there is a branch net work whereby each state capital in the Federation has a CBN branch. However, in newly created states, currency centres are set up by

the CBN, pending the time that full fledged branches could emerge. The respective head of each zone, branch and currency centre is the zonal controller, Branch Controller and currency officer. At the end of 1991, the CBN had in operations, 4 zonal offices, 15 branches and 6 currency centres. As at May 1992 the CBN had 9,707 members of staff comprised 219 executives, of which 23 are Departmental Directors, 748 Senior and 6,740 junior staff.

3.2 **FUNCTION OF CBN**

(a) **CURRENCY ISSUE & DISTRIBUTION**

Economic transactions in the Nigerian economy are, to a large extent, cash - oriented. Consequently, the Banks currency issue function which involves distribution, safe custody of stocks and management of orders constitutes a vital part of the day-to-day management of the economy. Without the regular supply of currency, economic activities world be much restricted. The Bank by statute is the only bank of issue in the country. It started with the issue of the Nigerian pound in (1959) which was in circulation until January, 1973 when decimalized currency, the Naira was introduced in four denomination - 50k, ₦1, ₦5 and ₦10 to enhance transactions in February, 1976, the fifth denomination the ₦20 note, was introduced in response to growth in monetary transactions. A currency exchange exercise was carried out during the period 25th April through 6th

May, 1984. It involved the replacement of the ₦1, ₦10 and ₦20 notes with new onces of similar design but different colours. The purpose of the exercise was to render worthless the notorious activities of those who had taken the currency notes outside the Nigeria border illegally, demonetize the notes in the hands of those who acquired them illegally and nullify the effect of forged currency notes. A total of ₦4.9 billion out of ₦5.3 billion of the currency in circulation was retrieved and exchange leaving ₦400 million unpresented. During 1991, a currency reform call the D-Metric System of currency management and widely used in more than 70 countries was introduced. The system resumes equal denominational structural range of 5 for both coins and notes. The reforms phased out the 1/2 kobo and 5 kobo coins, redesigned the 1K, 10K and 25K coins, coined the 50K and ₦1 which were formerly notes and put into circulation ₦50 notes. The Banks notes and coins are commissioned for printing and Minting by the Nigerian Security Printing and Minting Company (NSPMC) under conditions of top security and using highly technical devices and designs to make counterfeiting very difficult. The Naira is currently the legal tender currency.

(b) **BANKER TO THE GOVERNMENT**

The CBN as banker to the Federal Government undertakes most of Federal Government banking business in and

outside Nigeria. The Bank also provides banking services to the state and local Government and it may act as banker to institutions, funds or corporations set up by the Federal, State or Local Governments. The Federal Government, at its own discretion, may use the services of other banks or the state treasuries for its banking requirements. However, the CBN has tended to consolidate major public sector accounts, particularly since the directive in may 1989, that all government accounts be maintained with the CBN. One important functions which the CBN is required is temporary financial accommodation through the granting of ways and Means Advances and at rates determined by the CBN. Statutorily, the total amount of such temporary accommodation should not exceed 12.5 per cent of the estimated recurrent budget revenue of the Federal Government for the year in which the ways and Means Advances are required. This Advances are normally retired before a financial year runs out.

The CBN mobilises funds for the Federal Government through the issue of short and long term Government Securities. The short-term securities are mainly, Treasury Bills and Certificates, while the long-term debt instruments are referred to as Federal Government Development Stocks. Treasury Bills were first issues in April 1960 while Treasury Certificates wer first issued in 1968. The CBN also issues Federal Government Development Stocks to help finance the economic

activities of Government. Treasury Bills being of short duration (90 days) and to be more widely used than Treasury Certificates. The monthly average of Treasury Bills issued in 1990 and 1991 amounted to ₦7.5 billion and ₦11.1 billion respectively, compared with monthly averages of ₦2.8 billion and ₦1.5 billion worth of Treasury Certificates issued in 1990 and 1991, respectively. Federal Government Development Stocks outstanding as at the end of 1991 amounted to ₦4.2 billion and were mostly held by savings type institutions.

(c) **BANKING SUPERVISION & EXAMINATION**

The CBN in seeking to promote a sound financial system, has to supervise and monitor the banks. This is done through banking supervision, both off-site (that is, through the statutory returns submitted by the banks to the CBN) and on site through visitations by CBN officials to the banks, to examine their books, records keeping methods and internal control systems. Some years back (1960 - 1965), bank examination (on site) was carried out by the examination Division of the Federal Ministery of Finance, while bank scrutiny and supervision (off-site) was the function of the CBN.
From January 1966, the CBN tookover the function of the bank supervision, examination and scrutiny (off-site and on site). The department in charge was Banking Supervision Department. From 1992, however, owing to

the expanded role of the CBN, within the banking system, the functions of on site examination and off-site supervision were splited respectively into two separate department - Bank Examination and Banking Supervision. The Banks Supervisory activities involved monitoring the performance of the commercial and Merchant banks on periodic and ad-hoc basis. This enables the Bank to assess the quality of loans - granted by the banks, provisions for bad and doubtful debts, capital adequacy, the existence and extent of fraud and forgeries in the banks, compliance with monetary policy guidelines and in general, the pursuit of prudent banking practices.

(d) **CHEQUE CLEARING**

The CBN is mandated to facilitate the clearing of cheques and credit instruments for banks involved in business in Nigeria. The Bank therefore, sets up clearing houses for this purpose and it monitors the cheques system to ensure efficient payment mechanism within the system. From the time the first clearing, house was estabnlished in Lagos in 1961, the Bankers clearing system has expanded to cover all the commercial banks in operation (except a few distressed banks). Expenses in-curred in providing clearing facilities are borne by the CBN. The clearing arrange-ment is quite useful in promoting banking habit, particularly the use of demand deposits as a means of

exchange. Cheques cleared daily increase from about 2,500 in 1961 to about 22,000 in 1977. As at the end of 1991, the Bankers clearing system recorded a monthly average of 666,073 cheques worth ₦10.48 billion. The system is computerised in the CBN Headquarters and progress has been made in the implementation of the magnetic Ink Character Recognition (MICR), an automated system for sorting cheques and other financial instruments.

The nation-wide implementation of MICR is in three phase. The first phase commenced in June, 1990 and involved inter - bank transfer and CBN cheques. The second phase which began in July, 1991 involved the three biggest banks in Nigeria - United Bank for Africa 'UBA Plc, First Bank of Nigeria (FBN) Plc and Union Bank of Nigeria (UBN) Plc. Some of the customers of these banks have been issued with MICR cheques. The third phase commenced in July, 1992 involving all the other commercial banks.

(e) **LENDER OF LAST RESORT**

The CBN is the lender of last resort to the banks. It accommodates commercial and Merchants banks in temporary need of liquidity. For example, between September and October 1989, the CBN through the Nigeria deposit Insurance Corporation (NDIC), extended facilities totalling N2.3 billion to ten banks (4

commercial and 6 Merchant banks). The Banks function as a lender of last resort, instils confidence in the banking systems. Ability to withstand economic strains and stress. The CBN, as banker to other banks also issues directives on cash reserves, liquidity ratios, prudential requirements, sectorial credit allocation and on the other activities of banks. This is done through its monetory policy circular which is issued at the begining of each fiscal year. Amendments to the circular may be made at any time as the bank deems fit. The CBN may proscribe banks from engaging in certain activities and it is empowered to seek and obtain information from the banks, stiff sanctions are usually imposed for non-compliance by banks with CBN Monetory Guidelines.

(f) **DEBT MANAGEMENT**

Not only does the CBN mobilise funds for the Federal Government, it also manages its domestic and external debt. The CBN is empowered to issue and manage Federal Government domestic debt on terms and condition, agreed upon by the Government and the Bank. It may also manage external debt of the Federal Government as directed by the president from time to time.

- Domestic Debt: Management involves advising the Federal Government as to the timing and size of new debt instruments, advertising for public subscription to new issues, redeeming matured stocks, payment of

interest and principal and whendue, collecting proceeds of issues for and on behalf of the Federal Government and sensitizing the Government on the implications of the size of its debt and budget deficits. Owing to the Federal Government economic, social and political programmes (particularly the on - going transition to civil from Military rule) and to the debt over hang which necessited high debt service payments, budgetory deficits have tended to persist. Federal Government domestic debt outstanding as at end 1991 amounted to N116.2 billion with short-term debt securities (those maturing in less than two (2) years) constituting 80 per cent of the total domestic debt stock. The issue of Treasury Bills to liquidate ways and means advances granted to the Government, accounted mainly for the large size of treasury bills in total domestic debt stock.

- External Debt:- The CBN also co-operate with other agencies to manage the country's external debt which totalled $33.4 billion as at end of June, 1992. Draw-down of fresh loans capitalisation of some unpaid interest charges on debt outstanding and the depreciation of the US dollar against some creditors currencies, explain the increase in the size of Nigeria external debt, which rose from $1.4 billion in 1989 to $33.4 billion by June 1992. Medium and long term debt account for 86 percent of total external debt, while

short term debt comprises the balance. Debt management by the Bank involves debt services payment and participation in debt rescheduling, debt refinancing and restructuring negotiations as well as debt conversion to ensure that the debt is reduced to a manageable size.

(g) **PROMOTION OF MONETARY STABILITY**

The effectiveness of any Central Bank in executing its functions hinges crucially on its ability to promote monetary stability. Relatively, prime stability is a sine-qua-non for money to perform its role of medium of exchange, store of value, standard of deferred payments and unit of account. The art ensuring monetary stability devolves on a Central Banks ability to involves effective monetary policy and to implement it efficiently. Implementation often raises difficult posers on conceptual issues and day-to-day realities. Monetary management inevitably involves trade-offs in over all objectives and achievable targets. Standard tools for monetary management include the prescription of reserve requirement (cash, liquid assets, reserves and supplementary reserves), interest rate regulation direct credit control, selective credit control, variable discount rate, moral suasion and Open Market Operations (OMO). The Bank had used all these tools to promote monetary stability of special relevance in CBN monetary activities is the use of direct control of

credit, variable discount rate, special deposits, stabilisation securities, reserves requirements and moral suasion.

(h) **LIQUIDITY MANAGEMENT**

Is essentially the main monetary management function of the CBN which involves the control of the level of liquidity in the system in order to ward off inflationary pressures periodically, it determines target growth rates of money supply which are compatible with overall policy goals. It also seeks to align commercial and merchant banking activities with the overall target. Currently, banks are required to maintain a liquidity ratio of 30 percent, 10 percentage point of which are to be kept in treasury securities. If the CBN observes that the system has excess liquidity, it may issue stabilisation securities or take other steps to mop up the excess. Stabilisation securities are issued primarily, to correct short-term monetary instability. The value of stabilisation securities to be issued depends on the source of liqudity being targeted whether banking system liquidity or overall domestic liquidity. In the later case, broad money (M2) would be the focus of attention. If on the other hand, the banking systems liqudity is the target, then the amount of free reserves over and above a specificed minimum liqudity ratio would be aimed at, for mopping up. The issue of stabilisation

securities in 1990 had a precedent dating back to 1976, when the Bank issue stabilisation securities to support the on-gong restrictive monetary policy stance. Stabilisation securities were again issued with effect from June, 1990 to complement other measures introduced for dealing with excess liquidity in the system. Accordingly, stabilisation securities totally ₦834.4 million were issued to some banks in August, 1990. The applicable rate was the treasury bill rate plus a margin. In 1991, stabilisation securities worth ₦25.4 billion were issued. The bulk of the securities (83.5%) was issued to commercial bank thereby reflecting that they were a major source of excess liquidity in the system.

(i) **FOREIGN EXCHANGE MANAGEMENT**

The CBN monitors the use of scarce foreign exchange resources, to ensure that foreign exchange utilisation and disbursement are in line with economic priorities and within the foreign exchange budget. Foreign exchange management involves setting aside some foreign exchange to buoy up reserves and shore up the value of the naira. It also involves catering for debt service and payments for imports and other services. For example the 1991 foreign exchange budget was $11.855 billion, out of which $9.908 was epxected from official receitps and the balance from private sources. Actual foreign exchange receipts amount to $11.35 billion (4.3

percent lower than budget estimates) total official disbursements in 1991 amounted to $9.3 billion. The CBN used $2.99 billion (32%) to fund the foreign exchange market (FEM). A total of $3.6 billion (38%) was used to service external debt. While $241 million was utilised for setting some pre-SFEM transactions.

Other public sector uses accounted for $1.5 billion or 16 percent of total; official disbursement out of the amount allocated to the FEM, merchantise imports mainly for the industrial sector accounted for over 60 percent. Monitoring of how foreign exchange is utilised helps the Bank to align policy measures towards maximising the use of the nations scarce resources.

(j) **SUPERVISION OF FINANCE HOUSES**

The Banks supervisory activities have expanded since June, 1991 when the BOFI Decree was promulgated to cover non-Bank financial institutions, particularly finance houses, many of which accept deposits and provide some form of banking services under one guise or the other. Hitherto, there was uncertainty as to the regulatory controls over non-Bank financial institutions because of the absence of any special law(s) governing their activities. This new function of the CBN has far reaching implications for monetary policy particularly in reducing leakages and shoring up public confidence in the financial system.

(k) **FACILITIES TO ENTERTAIN PUBLIC COMPLAINTS**

The CBN tries to ensure that banks do not take undue advantages of their customers. In addition to its supervisory activities. The bank maintain a Public Complaints Desk (PCD) at its Head Office and in each of its branches in all the states of the federation. In instances, where banks are found to be unfair to their customers, appropriate sanctions (fines included) are imposed on such banks.

(l) **SOME DEVELOPMENTAL FUNCTIONS OF THE CBN**

Apart from its traditional functions, the CBN has been very active in other areas of economic development. These include the development of the financial (money and capital) market; promotion of special schemes and funds for industrial development; promotion of agricultural activities through agricultural finance and agricultural credit guarantee; facilitation of economic development through CBN Mandatory requirement that banks allocate a specified proprotion of their credit portflio to manufacturing and agricultural activities, export finance and promotion of Small and Medium Scale Enterprises (SMES). The Bank is represented on the boards of specialised institutions such as the Nigerian Bank for Commerce and Industry (NBC). Nigerian industrial Development Bank (NIDB), The Federal Mortgage Bank of Nigeria (FMBN), Nigeria Deposit Insurance Corporation (NDIC) and it promoted

the setting up of some key financial institutions, such as the securities and exchange commission (SEC) and the Nigerian Export and Import Bank (NEXIM). The Bank also set up a credit guarantee scheme - The agricultural credit guarantee scheme to provide a boost for agricultural activities.

3.3 CBN MANPOWER CONCEPT AND DEVELOPMENT

Staff development concepts in all spheres of further education is presently regarded to be essentially for the improving of efficiency and quality of learning and therefore focuses on improving or extending the ability of staff to under take specific roles in relation to the performance of his work. However, staff development is viewed in the Bank and other organisation mostly in terms of sending employees on course often to achieve higher or additional qualificiations and assume position of responsibilities. The concept is largely for promotional purposes. Staff development are well guided policy framework which allows the management to achieve its aim on staff development.,

3.3.1 RECRUITMENT POLICY OF CBN

In consonance with Sound Personnel Management practice policy that resulted from decisions taken on proposals made to management and directive issued by the management over the years. The Banks policy is also influenced by circulars and other directives issued by the Federal Government of Nigeria.

(1) **OBJECTIVES**

The objectives of the bank recruitment policy is to fill existing vacancies with candidates who posses qualifications, experience and skills that are relevant to such vacancies. In recruiting staff into the bank, due cognisance must be taken of the nature of the function of the Bank.

(2) **GUIDELINES:**

The following guidelines must be observed.

(a) Vacancy must exist in the position to be filled;

(b) Short-list of candidates based on Federal Character must be approved by the Director of personnel or Deputy Governor General Administration where Senior and Executive Staff are involved.

(c) At least three candidates must compete for a vacant position. Only indigenes of the State where Branch office/currency centre is located can be considered for employment for junior post. Senior positions are competed for at the national level.

(d) Guidelines are provided so that certain academic/ professional qualifications must be satisfied before considered eligible for consideration for employment. These guidelines are however dynamic to meet the challenges of the Banking industry.

(e) Candidates for employment must face a duly constituted panel of interviewers. The composition of the panels is determined by the Management of the Bank.

(f) Offer of appointment to junior position must be approved by the Director of personnel while the Deputy Governor (General Administration) approves that of Senior and Executive positions pending ratification by the Committee of Governors.

(g) To make for uniformity and to stem complaints arising from salary offered to new employees, salary - Administration office has the task of fixing salary for new employees after taking into consideration academic/professional qualification and cognate experience.

(h) The conversion policy makes it possible for staff members who acquires additional qualification to change their career paths or be upgraded to higher positions.

(i) Temporary staff engaged by the Bank are eligible for absorption into permanent establishment after a period of six (6) months subject to satisfactory performance.

(j) The Governors are empowered to recruit their cooks/ stewards on notification, recruitment office will

normalise such appointment.

(k) Federal character must be reflected into the appointment of certain categories of staff.

(l) Management may appoint any suitable candidate into the executive cadre of the Bank.

It is pertinent to state here that the Banks recruitment policy is a dynamic one.

3.4 ORGANISATION STRUCTURE OF CENTRAL BANK TRAINING CENTRE JANUARY, 1987

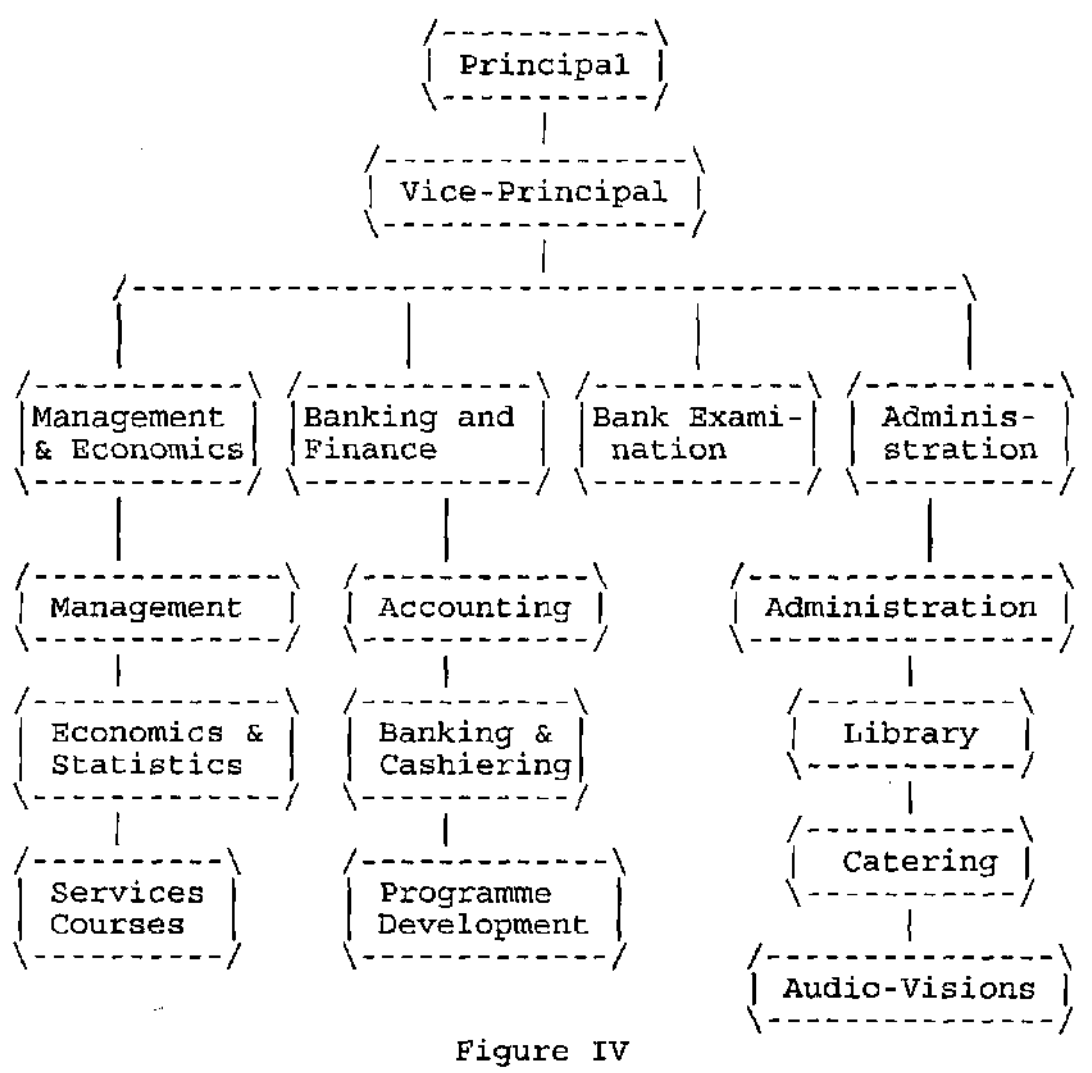


Figure IV

ORGANISED FOR THE BANKING INDUSTRY IN THE COUNTRY

SOURCE:- CBN Training Centre Satelite Town Lagos, Nigeria

3.4.1 THE STRUCTURE & DEVELOPMENT OF CBN TRAINING CENTRE

When CBN was established in 1959, training and staff development was more of an ad-hoc affairs. There was no training policy. By virtue of section 4 of the 1958 CBN Act, four principal functions of CBN could not be achieved without rigorous training and re-training of staff in modern techniques of Central Banking. Overseases training of staff, particularly the senior members of staff in specialised skills was embarked upon. By November 6th, 1975, Management of the CBN consolidated the various circulars on training and came up with a training policy and summarised the implementation process as follows:-

(a) Determining the methods of training and development, planning and implementation of training programmes through identification and channeling of training courses organised by CBN and other various training institutions locally and abroad to meet the present and future manpower and training needs of the Bank.

(b) Planning and implementation of training programmes to meet the present and future development and training needs of the individuals and the Bank.

(c) Evaluating the various training acquired in order to determine their effects on the individuals and the Bank.

(d) Maintaining up-to-date records and statistics of those trained and provide necessary information to meet the requirement of management.

In accordance with the Banks policy of Maintaining a systematic training programme for the development of all cadres of staff, the identification of training needs is a joint responsibility of various Heads of Departments, Manpower Planning Office, but the Management of the training process is the sole responsibility of the training office.

In conformity with the recommendation of a firm of consultants, Mchinsey international United Kingdom, the training school was established in October, 1977.

3.4.2 THE OBJECTIVES OF CBTC

(i) Introduce new staff into their work situation and acquaint them with the functions of the Bank;

(ii) Train staff in modern banking and management techniques in order to increase their performance on the job and thereby enhance their morale and the standard of work in the Bank;

(iii) Broaden the horizon of the staff and prepare them for higher responsibilities and thereby pave the way for easy management succession.

(iv) Provide facilities for common training programme that may be organised for the Banking industries in the country.

3.5 **CBNTC ORGANISATION STRUCTURE (AS REFLECTED IN THE CHART)**

The Training Centre has been organised into four separate offices with ten distinct units under the offices.

(a) Management and economic office;

(b) Banking and Finance office;

(c) Bank Examination office;

(d) Administration office

- (1) **Management and Economic Office**

It has three units - Management unit, economic and statistics unit and service course unit (made up of Secretarial, Drivers, operators and other service staff.

RESPONSIBILITY

The office is charged with the responsibilities of - developing and designing the relevant course programmes, preparation of course material and handouts; presentation of lectures; evaluation of courses and programmes, maintaining close contact with programme development unit and concluding examination.

- (2) **Banking & Finance Office**

It is made up of three units - Accounting Unit, Banking

and Cashiering unit and programme development unit.

Responsibilities:

(a) Carrying out research and investigations relevant to the various areas with a view to obtaining information that will enable the centre to up date its information based and materials.

(b) Works hand in hand with the training office research library and manpower development division and to liaise with departments to ascertain whether what the centre is doing is in accord with the need of the departments.

(c) Collating of programme and post training evaluation questionnaires and analysing of training evaluation returns.

(3) **Banking Examination Office**

This office is established to handles specialized and technical training needs of staff in the relevant areas.

Responsibilities

(a) To plan and develop curricula for training staff in Bank examination department to carryout their responsibilities at their various levels of operations.

(b) To increase the effectiveness and efficiency of Bank examining and inspectors with an object of sharpening their potentialities through training and

development.

(c) To develop analytical skills and management techniques of Bank Examiners and Inspectors in handling bank operations.

(4) **ADMINISTRATION OFFICE**

Comprises of four units - Administration, library, Catering and Audio-Visual unit.

Responsibilities

They are charged with general office administration duties/functions in addition to the specialized functions of library unit, catering unit and audio-visual units for the training school.

3.5.1 **TRAINING ACTIVITY**

On annual basis, training activity starts with the training office sending out circulars to the heads of department requesting for their training and manpower development proposals for the coming year. The training office on its own part identifies courses/seminars and workshops considered to be relevant to the operatinon of the bank.

Manpower planning office makes its own contribution by submitting details of training needs gathered from the previous years annual performance appraisal. All these are put together and with their financial implications, constitute the annual training programme which is then

submitted to the management for approval.

The various departments are then informed of what course/seminars that have been approved for their participations and also are requested to make nominations. However, the departmental Directors are usually expected to nominate double the number of approved candidates from which training office makes final recommendation to management. Places on the course are then secured and approved nominies are issued nomination letters.

Every course/workshop or conference involves making a proposal seeking Management approval for participation, payment of course fees/allowance and travelling arrangements where applicable. For purposes of monitoring and evaluating the effectiveness of training, every course participant is expected to submit to training office a comprehensive report on the course within two (2) weeks of his/her return.

It is important at this juncture to point out that the CBN Training policy provides for sanction against any member of staff who failed to attend a course for which he or she was nominated. The policy paper, provides inter a lia that failure to attend any training course will be regarded as misconduct leading to warning, and forfeiture of consideration/nomination for further training course/programme for the next five (5) years?

In the same vein, management views as 'lack of commitment and a waste of the Bank resources any show of poor performance in examination conducted at the end of any course organised both inside and outside the Bank? Such poor performance in examinations is usually equated to poor performance on the job and is reflected on the annual appraisal of such participants.

It implies therefore that no matter how short the period of the training course, the sanction for non attendance and poor performance remains the same.

3.5.2 TRAINING METHODS

The conventional training metnhods in the forms of:- Lectures: group discussion, simulations, case studies, syndicate work and experimental interaction, coupled with extensive use of audio-visual training aids etc. are adopted. Facilitators are mainly sourced in - house but where specialised knowledge outside the Bank is required for strong back-up support, they are attracted.

3.5.3. ACHIEVEMENT OF THE CBTC

The achievement of the Central Baank Training Centre could not be over stressed judging from its programmes of activities. So many junior, Senior and Top Management Staff have passed through the Training School. During the period 1977 to 1991, the frequency per course and aggregate actual attendance statistic shows the volume of activities at the training Centre.

FREQUENCY OF COURSES AND NUMBER OF COURSE PARTICIPANTS IN THE CBN TRAINING SCHOOL FROM 1977 - 1991

YEAR	FREQUENCY OF COURSES	EXPECTED ATTENDANCE	ACTUAL ATTENDANE	PERCENTAGE ATTENDANCE
1977	26	553	462	84
1978	33	861	740	86
1979	39	1026	1149	112
1980	42	1118	1052	94
1981	27	777	534	69
1982	31	1132	1048	93
1983	44	912	1045	115
1984	42	1190	1017	85
1985	34	922	847	92
1986	39	828	893	108
1987	47	1045	1202	115
1988	55	1230	1295	105
1989	53	1295	1807	140
1990	82	1748	2300	132
1991	85	1775	3758	212
Total	679	16412	19149	1642
Average	45	1094	1277	110

Table I

SOURCE: CENTRAL BANK OF NIGERIA TRAINING CENTRE SATELLITE, TOWN LAGOS.

(i) **COURSES AVAILABLE IN CBTC**

The number of courses available in the annual Calendar of CBTC for 1991 was 45 made up as follows:

(a)	General Course	6
(b)	Banking & Finance Course	4
(c)	Management	11
(d)	Bank Examination Course	4
(c)	Special Courses	20
		45

(ii) **THE LIBRARY IN CBTC**

The training Centre Library presently houses, 3,570 titles, apart from magazines and other periodicals covering banking, financial management and business topics.

An important message of the above statistics is the continuous improvement of the skills, attitude and knowledge of the CBN staff which has enhanced the general increase in productivity of the staff and create moral awareness in the changing economic environment. CBN as the apex bank owes it a duty to advice other financial institution to establish their own training centre detailed to their needs and environments.

The Nigeria Deposit insurance corporation is the only outsider that uses CBTC facilites regularly.

The organistion of workshop, conferences, special study groups and request for their use by financial and non-

financial institutions have not been encouraged because of the uninspiring state of support infrastructures. There is no doubt that more activity will materialize in this area when the fallow-lying facilities are actualized.

Main while, facilities available at the complex are as follows:-

Lecture rooms	14
Lecturer rooms	11
Library	1
Assembly Hall	1
Catering Unit	1

An administrative office and the principal office.

The percentage attendance in some years suggested that more people attended the courses in those years than expected.

The average as indicated are yearly average. For example, the average number of courses per year.

$$= \frac{\text{No of Courses}}{\text{No of years}}$$

$$= \frac{679}{15}$$

$$= 45$$

The average actual attendance per course is $\frac{19149}{679}$

$$= 28$$

It is therefore assumed that if all things remain the same, the epxected number of course participants at the end of 1992 is NX = average number of courses X average expected number = 45 x 28 = 1260. And the

average actual attendance can be calculated to be $\frac{19149}{15}$

= 1,277.

The percentage of this to be expected averagely will be

= $\frac{1277 \times 100}{1260}$ = 101% which confirms that more people attended the courses than expected.

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CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

The survey cannot cover all the staff members of CBN hence a sample representation of all the characteristics covering all cadre of staff was chosen. The staff hierarchy of the CBN is broadly divided into three groups.

The Executive Staff

The Senior Staff

The Junior Staff.

The executive include the Assistant Directors, the Deputy Directors and the Directors. In this report, the Governor and his deputies are not included as staff since they are political appointees.

The Senior Cadre include the Senior Managers, Managers, Assistant Managers and Senior Supervisors and their equivalent while the Junior Staff are Supervisors and below.

In carrying out this research stratified random sampling method was adopted. This was because of its merity as being meniature representative of the staff and the method is easy to administer and less expinsive.

Each category of staff was regarded as a stratum. Using this techniques our actual sample for the study is 180 respondents.

The study decided on the use of the questionnaire to complement oral interview and secondary documentation for obtaining data because of its various advantages and in conformity with the appropriate statistical instruments.

The questionnaire is divided into two parts. Part I deals with the personal data of the respondents Name (optional) sex, marital statue, Education background and number of employers worked for prior to joining the services of the CBN.

Part II of the questionnaire dealt with questions of training/development and its impact on productivity and the respondent. This part tries to elicit facts on the impact of training and developments, on productivity in CBN, respondents, status, job security, promotion and the state of general awareness in the organisation.

The questions asked were mostly of the alternative answers which are to be ranked according to the choices of the respondents. Some others were open-ended question which the respondent were allowed to use their descriptions to answer.

The questionnaire were distributed by hand. 200 questionnaires were administered to the three categories of staff as mentioned earlier.

4.1 Appendix 1 - Questionnaire

Fifty (50) of the questionnaires were administered to the executives 70 to the senior staff and the remaining 80 goes to the Junior Member of staff. Out of the 200 questionnaires sent out only 155 were return representing about 64% of the total questionnaires administered. However, on a further follow-up another 25 were retrieved given a total of 180 returned questionnaires representing 90% of the total.

4.1.1

TABLE II

Classification	Administered Questionnaires	Percentage %
Executive	50	25
Senior	70	35
Junior	80	40
TOTAL	200	100

TABLE III

4.1.2 Questionnaires returned by percentages

Classification	Admini-stered	Returned	%
Executives	50	34	19
Senior	70	66	37
Junior	80	80	44
TOTAL	200	180	100

The above table showed that the executives returned 34 of the 50 questionnaires administered to them. This represents 19% of the total returned questionnaires. The Senior Staff rerturned 66 of the 70 sent them. This is 94% of the questionnaires sent to them or 37% of the total retrieved. Out of the 80 administered to the Junior staff 80 or 100% were recovered representing 44% of the total questionnaires sent.

TABLE IV

4.1.3 Questionnaires returned by sex

Category	Male	Female	Total
Executives	33	1	34
Senior	48	18	66
Junior	58	22	80
TOTAL	139	41	180

Evidence from the above table showed that 33 returned questionnaires from the exectives were from the male executives, and only I questionnaire was retrieved from the Female executives. This was expected since the bank has few females at executives level.

However, the senior and junior strata produced 18 and 22 female respondents respectively. This showed that females accounted for only about 23% of total respondents.

INTRODUCTION: This study has as its main objectives, the effect of training and development on staff productivity of an organisation:

Central Bank of Nigeria as the case study.

Thus we want to find out how training and development has helped to motivate staff members towards doing their jobs. In this chapter, attempt is made to analyse data collected. Data collected include demographic data on previous employment, previous trainings and development at works. The data were presented in absolute term, percentages, calendar forms and simple statistical presentations.

4.1.4 The table below shows the respondents by marital status and qualification.

TABLE V

Qualification	Single	Married	Divorced	Widow	Total
B.Sc. HND & above/Equiv.	26	20	3	2	51
OND GCE. A/L and Equivalent	52	28	-	5	85
WASC/Equivalent	13	12	4	3	32
Others	9	-	1	2	12
TOTAL	100	60	8	12	180

The analysis indicated that 51 of the respondents or 28% were holders of first degrees or its equivalent or above while 85 of them or 47% represent those who have

OND or its equivalent. 32 of them or 18% had WASC while those who were classified as others were 12 or 7% of the total.

The total also showed the distributions of the respondents according to their marital status. About 100 or 56% of the respondents claimed they were single while 60 of them (33%) were married, 20 of the respondents or 11% were either divourced or widowed.

TABLE VI

4.1.5 This shows the reaction or response of the respondents towards Central Bank Training.

Classification by Strata and by Response.

OPINION ON CBN TRAINING/DEVELOPMENT PROGRAMME.

STATUS	V. GOOD	GOOD	POOR	TOTAL
Executives	10	20	4	34
Senior	29	30	7	66
Junior	6	68	6	80
TOTAL	45	118	17	180

Information from the table showed that the probability of a respondent agreeing that the training programmes was good was 118/180 = 0.66. This represents 66% of the total respondents. The chance of respondent saying it was very good was 45/180 = 0.25 while about 17 of them representing a probability of 17/180 = 0.9 said it was poor.

TABLE VII

4.1.6 This shows that response of respondents on the training/development and promotion opportunities.

PROMOTION OPPORTUNITY

TRAINING	V. GOOD	GOOD	FAIR	POOR	TOTAL
Very Good	10	15	30	-	55
Good	-	5	9	91	105
Poor	-	-	5	15	20
TOTAL	10	20	44	106	180

In the above analysis majority of the respondents agreed that, though the training programmes of the Central of Nigeria is good the promotion opportunities is very poor.

A total of 106 or 59% of the respondents agreed that promotion was poor out of these number 91 agreed that the training and development programme was good while 15 of the respondents said the training was equally poor. This suggests that there was no relationship between the training/development of workers in Central Bank of Nigeria and their promotions.

TABLE VIII

4.1.7 This gives an insight on the relationship between training/development and job security within the CBN.

Arrangement of respondents according to their responses on development/training & job security.

JOB SECURITY.

TRAINING	V. GOOD	GOOD	FAIR	POOR	TOTAL
Very Good	11	35	9	-	55
Good	18	59	21	7	105
Poor	10	5	5	-	20
TOTAL	39	99	35	7	180

The analysis revealed in table 7 showed evident of good job security in the CBN. About the 180 returned questionnaires, 99 respondents or 55% agreed that the job security was good while 39 of the or 22% said it was even very good.

However, about 42 respondents or less than 23% of the respondents agreed it was either fair or out rightly poor.

Other factors tested, most respondents agreed that the job environment was good but 59% or 106 respondents were not happy with their present status in the Bank. This was envisaged if we refer back to table 7 that dealt with training/development and promotion.

Almost 66% of the respondents agreed on good supervision and concluded that management approach towards training/development was just adequate.

There was however a mixed feelings on the issue of workers interaction. Variously, the respondents gave different views which lends credence to the frequent grape-vine within the CBN.

The report further analysis whether the needs were met through the CBN Training/Development Programmes. Here the reachers present theirs findings.

Table IX shows the relations between training/development and individual need saitisfaction and its subsequent impact on productivity.

TABLE IX

Level of need satisfaction/impact on productivity

Identification of Training/ Development Need	Very Satisfied	Fairly Satisfied	Poorly Satisfied	Total
Well identified	56	25	8	89
Fairly identified	33	17	11	61
Poorly identified	11	6	13	30
TOTAL	100	48	32	180

The analysis shown in the table indicated that more than 49% of the respondents were satisfied with their job. This proportion represent 89 of the 180 respondents. 34% of them were fairly satisfied while 17% were not.

This showed that 150 or more than 83% of the 180 respondents were either satisfied or fairly satisfied and only less than 17% or 30 of them showed they were not satisfied with the result, however, about training/development 133 or about 74% of the respondents were satisfied with the training/development while less than 26% or 46% of the 180 respondents were not in favour of the training/ development programme.

In the final analysis, we discovered that out of 89 who were satisfied with the training, 56 were very satisfied while 25 were fairly satisfied.

Out of the 89 who were satisfied training wise, 8 were not satisfied with their jobs, 61 were fairly satisfied and 33 were very satisfied. Interestingly, out of 30 persons who claimed they were not satisfied with the training, 11 of them were satisfied with their jobs, 6 were fairly satisfied and 13 were neither satisfied with the training nor the job.

If we look at this critically, we shall discover that since only 13 persons or just less than 7% of the respondents were not satisfied with both job and training, that training/development has helped to enhance productivity and job satisfaction within the rank and file of the CBN.

TABLE X

4.1.9 JOB SATISFACTION

Job Satisfaction Training Needs	Very Satisfied	Fairly Satisfied	Poorly Satisfied	Total
Very satisfied Training	24	22	19	65
Fairly Satisfied Training	28	22	18	68
Not Satisfied Training	19	18	10	47
TOTAL	71	62	47	180

In conclusion of the findings from the table, there is a positive correlation or relationship between the level of the need satisfaction and the identification of training needs.

It is envisaged that the respondents who actually attended the courses will be more productive and do better jobs as a result of the training/development.

4.2 TESTING OF HYPOTHESIS:- In the test of our hypothesis, we shall use the chi-square (X^2) test under the following conditions.

i. All test shall be at 95% confidence level (i.e. 5% significant level)

ii. Where the number of degrees of freedom (d.f.) is equal to 1, Yate's correction for

continuity shall be applied.

iii. The formulae to be used is:

$$X^2 = \frac{(O - E)^2}{E}$$

Where O = Observed frequency

E = Expected frequency

iv. The formulae for degree of freedom is d.f = (c-1) (r-1)

Where C = Number of colums

R = Number of rows

Chi-square test is used to test an association between two variables expressed in the form of a contigency table.

We shall also test our analysis using the contigency coefficient which is given as:

$$cc = \sqrt{\frac{X^2}{X^2 + N}}$$

4.2.1 HYPOTHESIS 1

HO: Status influence the return of questionnaires.

HI: Status does not influence the return of questionnaire.

O	E	O	E	Total
33	(26)	1	(6)	34
48	(51)	18	(15)	66
58	(62)	22	(18)	80
139		41		180

The expected frequency are in brackets.

$$d.f = (c-1)\ (r-1)$$

$$= (2-1)\ (3-1)$$

$$= 1 \times 2 = 2$$

O	E	(O - E)	$(O - E)^2$	$\frac{(O - E)^2}{E}$
33	26	7	49	1.9
48	51	-3	9	0.2
58	62	-4	16	0.3
1	8	-7	46	6.1
18	15	3	9	0.6
22	18	4	16	0.9
			X^2	= 10.00

Using the X^2 distribution table (Appendix II):. X^2 0.05 (2) = 5.99 since calculated X^2 = 10.00 is greater than X^2 0.05 (2) = 5.99We Reject HO and conclude that status do not influence the return of questionnaire.

The contigence co-efficient:

$$cc = \sqrt{\frac{X^2}{X^2 + N}}$$

$$= \sqrt{\frac{10.00}{10 + 180}}$$

$$= \sqrt{\frac{10}{190}}$$

$$= \sqrt{0.0526}$$

$$= 0.229$$

This is significant since it is less than one.

4.2.2 HYPOTHESIS 2

HO: Marital status has influence on qualification.

HI: Marital status has no influence on qualification.

(The expected frequences are in brackets)

O	E	O	E	O	E	O	E	Total
20	(17)	26	(28)	3	(2)	2	(3)	51
28	(28)	52	(47)	-	(4)	5	(6)	85
12	(11)	13	(18)	4	(1)	3	(2)	32
-	(4)	9	(7)	1	(1)	2	(1)	12
60		100		8		12		180

$$d.f = (c - 1)(r - 1)$$

$$= (4 - 1)(4 - 1)$$

$$= 3 \times 3 = 9$$

O	E	(O - E)	$(O - E)^2$	$\frac{(O - E)^2}{E}$
20	17	3	9	0.53
28	28	0	0	0.00
12	11	1	1	0.09
0	4	-4	16	4.00
26	28	-2	4	0.15
52	47	5	25	0.54
13	18	-5	25	1.39
9	7	2	4	0.58
3	2	1	1	0.50
0	4	-4	16	4.00
4	1	3	9	9.00
1	1	0	0	0.00
2	3	-1	1	0.33
5	6	-1	1	0.17
3	2	1	1	0.50
2	1	1	1	1.00
			X^2 =	22.78

Using the X^2 distribution table (Appendix II) X^2 0.05 (9) = 16.92.

Since X^2 0.05 (9) = 16.92 is less than the calculated X^2 = 22.78, we conclude statistically that marital status has no influence on qualification. This suggests that married people with strong determination and

willingness to succeed compete favourably with their single counterparts in their quest to acquire academic qualification.

The contigency co-efficient:

$$cc = \sqrt{\frac{X^2}{X^2 + N}}$$

$$= \sqrt{\frac{22.78}{22.78 + 180}}$$

$$= \sqrt{\frac{22.78}{202.78}}$$

$$= \sqrt{0.1123}$$

$$= 0.335$$

This is significant since it is less than one.

4.2.3 HYPOTHESIS 3

HO: Status influences staff response to training and development in CBN

HI: Status does not influence staff response to training/development.

O	E	O	E	O	E	Total
10	(8)	20	(23)	4	(3)	34
29	(17)	30	(43)	7	(6)	66
6	(20)	68	(52)	6	(8)	80
45		118		17		180

Note: The expected frequencies are in parenthesis:

$$d.f = (c - 1)\ (r - 1)$$

$$= (3 - 1)\ (3 - 1)$$

$$= 2 \times 2$$

$$= 4$$

O	E	(O - E)	$(O - E)^2$	$\frac{(O - E)^2}{E}$
10	8	2	4	0.5
29	17	12	144	8.5
6	20	-14	196	9.8
20	23	-3	9	0.4
30	43	-13	169	3.9
69	52	16	256	4.9
4	3	1	1	0.3
7	6	1	1	0.2
6	8	-2	4	0.5
			X^2	29.00

Using the X^2 distribution table (Appendix II):. X^2 0.05 (4) = 9.49.

Since X^2 0.05 (4) = 9.49 is less than the calculated X^2 = 29, we reject HO and conclude that status does not influence staff response to training and development in CBN.

The contigency co-efficient:

$$CC = \sqrt{\frac{X^2}{X^2 + N}}$$

$$= \sqrt{\frac{29}{29 + 180}}$$

$$= \sqrt{\frac{29}{209}}$$

$$= \sqrt{0.1388}$$

$$= 0.373$$

This is significant since it is less than one.

4.2.4 HYPOTHESIS 4

HO: Staff are motivated through promotion after training/development in CBN

HI: Staff are not being motivated through promotion after training/development

O	E	O	E	O	E	O	E	Total
10	(3)	15	(6)	30	(13)	0	(32)	55
0	(6)	5	(12)	9	(26)	91	(62)	105
0	(1)	0	(2)	5	(5)	15	(12)	20
10		20		44		106		180

$$X^2 = \frac{(O - E)^2}{E}$$

O	E	(O - E)	$(O - E)^2$	$\frac{(O - E)^2}{E}$
6	3	7	49	16.0
0	6	-6	36	6.0
0	1	-1	1	1.0
15	6	9	81	13.5
5	12	3	9	0.8
0	2	-2	4	2.0
30	13	17	289	22.2
9	26	-17	289	11.1

5	5	0	0	0.0
0	32	-32	1024	32.0
91	62	29	841	13.6
15	12	3	9	0.0
			X^2	119.00

Note: The expected frequencies are in parenthesis:

d.f = (c - 1) (r - 1)

= (3 -1) (4 - 1)

= 3 x 3

= 6

Using the X^2 distribution table (Appendix II) X^2 0.05 (6) = 12.59.

Since X^2 0.05 (6) = 12.59 is less than the calculated X^2 = 119, we reject HO and conclude that staff are not being motivated through promotion after training/ development.

The contigency co-efficient:

$$cc = \sqrt{\frac{X^2}{X^2 + N}}$$

$$= \sqrt{\frac{119}{119 + 180}}$$

$$= \frac{119}{299}$$

$$= 0.3979$$

$$= 0.631$$

This is significant since it is less than one.

4.2.5 HYPOTHESIS 5

HO: Training and Development ensures job security in CBN
HI: Training does not ensures job security in CBN

O	E	O	E	O	E	O	E	Total
11	(12)	35	(30)	9	(11)	0	(2)	55
18	(23)	59	(58)	21	(20)	7	(4)	105
10	(4)	5	(11)	5	(4)	0	(1)	20
39		99		35		7		180

Note: The expected frequencies are in parenthesis:

$$d.f = (c - 1)(r - 1)$$

$$= (3 - 1)(4 - 1)$$

$$= 2 \times 3$$

$$= 6$$

$$X^2 = \frac{(O - E)^2}{E}$$

O	E	(O - E)	$(O - E)^2$	$\frac{(O - E)^2}{E}$
11	12	-1	1	0.1
18	23	-5	25	1.1
10	4	6	36	9.0
35	30	5	25	0.8
59	58	1	1	0.0
5	11	-6	36	3.3
9	11	-2	4	0.4

21	20	1	1	0.1
5	4	1	1	0.3
0	2	-2	4	2.0
7	4	3	9	2.3
0	1	-1	1	1.0
			X^2	20.4

Using the X^2 distribution table (Appendix II) X^2 0.05 (6) = 12.59.

Since X^2 0.05 (6) = 12.59 is less than the calculated X^2 = 20.4, we reject HO and conclude that training/ development does not ensure job security in CBN.

The contigency co-efficient:

$$CC = \sqrt{\frac{X^2}{X^2 + N}}$$

$$= \sqrt{\frac{20.4}{20.0 + 180}}$$

$$= \sqrt{\frac{20.4}{200.4}}$$

$$= \sqrt{0.1018}$$

$$= 0.319$$

This is significant since it is less than one.

4.2.6 HYPOTHESIS 6

HO: Training/development alone guarantee/increase employees productivity.

HI: Training/development alone does not guarantee/ increase employees productivity

O	E	O	E	O	E	Total
56	(49)	25	(34)	8	(16)	89
33	(34)	17	(67)	11	(11)	61
11	(17)	6	(8)	13	(5)	30
100		48		32		180

The expected frequencies are in parenthesis:

$$d.f = (c - 1)(r - 1)$$

$$= (3 - 1)(3 - 1)$$

$$= 2 \times 2$$

$$= 4$$

O	E	(O - E)	$(O - E)^2$	$\frac{(O - E)^2}{E}$
56	49	7	49	1.00
33	34	-1	1	0.03
11	17	-6	36	2.12
25	34	-9	81	2.38
17	16	1	1	0.06
6	8	-2	4	0.50
8	16	-8	64	4.00
11	11	0	0	0.00
13	5	8	64	12.80
			X^2	22.89

Using the X^2 distribution table (Appendix II) X^2 0.05 (4) = 9.49.

Since X^2 0.05 (4) = 9,49 is less than the calculated X^2 = 22.49, we reject HO and conclude that training/ development alone does not guarantee/increase employees productivity.

The contigency co-efficient:

$$CC = \sqrt{\frac{X^2}{X^2 + N}}$$

$$= \sqrt{\frac{22.89}{22.89 + 180}}$$

$$= \sqrt{\frac{22.89}{202.89}}$$

$$= \sqrt{0.1128}$$

$$= 0.336$$

This is significant since it is less than one.

END NOTE

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CHAPTER FIVE

5.0 PRODUCTIVITY IMPROVEMENT STRATEGIES

(a) Productivity increase is an indispensable, basic responsibility of every manager, Productivity Improving Programme should appeal to management and ensure its key role in it.

(b) It is not exclusively a managerial task though. Large scale, tangible improvements can be achieved if many employees in the organisation will contribute to it. So employee participation is an important means to higher productivity.

(c) Such authentic involvement of possibly every employee is also an important end, a value in itself a way of achieving self-realization in work and recognition of human dignity. To achieve that in practice, the Quality of Work Life Programme will be promoted concurrently to promotion of productivity.

(d) To achieve higher productivity, actions and behaviours of many managers, employees and Workers must change. Managerial assumptions about subordinates, managerial style and the way in which management system operates, may frequently need modifications. Similarly on the part of employees-workers and in the area of labour-management mutual relations. To this end appropriately arranged team work and team development programmes will be broadly employed. They will be an

integral component of the productivity improving programme in every company. Together with management and vocational training they will constitute a core of interventions delivered by the National Productivity Centre.

(e) It should be forseen however, that such a renewed assuming deep behavioural changes can not be implemented easily, particularly in these environments and organisations where important old traditions, deeply incorporated and broadly accepted patterns of behaviour and leadership, norms and values should also be challenged. For a long range, planned management and employee developmental effort, should be arranged.
Trying to increase productivity in such organisations now, and we believe it is really an urgent task, a need emerges for a narrower, "half-way" programme, developed within the limitations of the existing manpower structure and labour-management relations. "Making a zero productive person 50% productive is a great step ahead" (Burnham).
Whenever choosing such a limited programme, costs of unutilized opportunities, should be made known to decision makers in the organisation.
Productivity movement in Nigeria, should develop a line of services for these organisations, which are not yet ready to develop systematic, full fledged productivity improving programme.

(f) The National Productivity Scheme should make full possible use of management training and consulting services of competent institutions in Nigeria (such as CMD, NIM and others). Similarly in the area of vocational (re) training for employees-workers.

(g) A strategy formulation step of productivity improvement programme will get particular attention in our approach. This change strategy will be modified successively, ensuring that every next improvement, cycle, will capitalize on the experience collected in the former ones. It will ensure that in addition to productivity improvements, a porcess of achieving self-improving capability of each assisted organistion will also take place.

(i) There must be safe-guards in the improvement prgramme for both management and labour, such as trail periods, i.e. lay-off clauses and others. The programme must ensure that everyone concerned-management, labour, shareholders and the public - will share in whatever gains are achieved.

(j) Proper balance between productivity improvement and measurement should be maintained. We are stressing particularly the motivational function of productivity measures and control (feedback) information. Information related to productivity indicators should not purely enrich the company statistics and then be

used-stored in staff units for reporting purposes. The motivational effect of productivity measures and feed-back information on these managers and employees who are directly involved in improvements, should get primary attention.

So productivity measures and information system which properly serves this purpose will have the highest priority. There is an issue of productivity in measuring and processing control information in the productivity movement itself. It should be solved properly.

5.1 BENEFITS PROVIDED BY CBN

The Central Bank of Nigeria was able to provide the following fringe benefits (usual practice) as normally contain in the financial Rules and Regulation and other financial circulars in operation from time to time. According to the Federal Government directives. The following are the benefits provided to motivate employees in the public service (CBN) in the performance of their duties effectively. These include:-

- Provision for medical care;
- Provision for vehicle and car, refurbishing loan and car loan;
- Provision for leave and leavegrant;
- Provision for library service for members of staff;

- Provision for rent subsidy and housing loan;
- Provision for transport allowance;
- There is also the opportunity for staff who wants to go on training i.e. study leave with or without pay;
- Provision for recreational centre and opportunity for Junior Staff to do genuine overtime to be duly approved by the respective HODS.

5.2 **INDUSTRIAL HARMONY IN THE CBN**

The CBN is one of the essential services parastatal in the country which decree No. 31 of 1973, under "Essential Services" schedule 1, section 11 (2) of the Trade Unions Law barred from embarking on a strike. The management of the Central Bank of Nigeria, for purposes of deliberation, consultation and communication with its workers and in accordance with the tenents of this decree, setup the senior and junior consultative councils and stopped to belong and participate in any union activities.

5.2.1 **OBJECTIVES OF THE JCC**

a. To provide a regular procedure for consultation between management and workers on matters of mutual interest in order to minimise friction and misunderstanding and to promote the objectives of the Banks;

b. To secure the fullest measure of co-operation for

the prosecution of measures and policies undertaken in the mutual interest of both parties;

c. To promote in workers a wider interest and participation in the design of the environment in which their work is performed;

d. To promote through out the Bank a spirit of co-operation so that performance efficiency may be secured, and the contentment of the employees ensured; and

e. To promote the diversification of employees interest in directions other than the normal office duties, so that employees may develop a sense of civic responsibility and self-fulfilment.

5.2.2 **FUNCTION OF THE JCC**

Apart from the above objectives of the JCC, its function include discussion on matters affecting management/workers relationships, and its recommendations to management, which shall be advisory, are on the following:-

i. Solving problems affecting staff which arise in the day to day activities of the Bank;

ii. Matters referred to it for discussion by management;

iii. The physical welfare and improvement of working conditions, including matters such as lighting, ventilation, general sanitation; etc.

iv. Improvements in methods and organisation of work,

including creativity compaigns, performance, improvement, optimum utilisation of resources, the setting and achievement of targets; etc.

v. Accidents and their preventions;

vi. Grievances, that is, those of general and specific nature that may be brought to the notice of the council;

vii. Welfare services being provided by the Bank, such as canteen, health clinic, social club and other extra-moral services deemed to be of benefit to employees of the bank;

viii. Issues affecting education and training/development.

ix. Bank rules and regulations including consequences *of the breach of such rules and interpretation of* official orders and notices;

x. Questions affecting employees progress in general; and

xi. Matters referred to the council by any established sub-committee of the Bank or by management.

In March, 1991, the JCC executive of the Bank was elected to manage the problems of workers. The principal philosophy of this group according to its constitution was (co-determination).

This means that the council preferred co-operation with the management at all times rather than confrontation towards finding mutual solutions to problems of staff,

regarding the physical environment at work and other conditions of services.

5.2.3 **THE ACHIEVEMENT OF JCC**

To achieve some of its objectives, the council embarked on the use of (scientific persuation) personal visits to management staff who are in position of authority were made while the problems being encountered by staff were properly put to them.

The council also briefed such persons of the staff worries and expectations and solicited for their sympathy.

To address the areas in which the Bank management felt staff performance was below expectation said to ameliorate this inbalance and retain the confidence of management towards it philosophy of co-determination, the council first tackled the problem of (indiscipline and fraud) and launched the JCC, "Think positive" compaign in collaboration with the management.

This objective carried posters of anti-fraud jingles which carries the message such as:

- The nation relies on you as fraud is not the answer to problems.
- The issue of loitering about which gives the impression staff are unproductives, and are not doing the work for which they were employed was

frowned at by the compaign.

This campaign tried as much as possible to inculcate into the staff. The spirit of hardwork and the zeal to earn a good days pay through personal satisfaction of work done. Furthermore, the campaign posters stated in parts that:

- If a staff want to have brilliant and rewarding career with the CBN, then, he/she should not be fraudulent, steal, act contrary to public morality or act in a manner that is likely to cause embarrassment to the Bank;
- It added that no staff is entitled to issue press release or publish any information about the Bank without the approval of the Governors, disclose of official or classified information to un authorised persons;
- Make false statement for appointment or present false or forged credentials.

It was observed that the rate at which fraud was recorded reduced considerably within and after the period of the campaign. The second objectives of the council, which was successfully achieve, was titled "Building a world of difference" in the CBN.

The council visited departments, Branches and currency centres to access problems being encountered by staff and proffer solutions to management in order to improve

the working conditions of staff as well as the physical environment at work. The council concluded that were the CBN to be a nation, it would have been tagged "very developed" based on infrastructural facilities provided by management and the level of efficiency exhibited by staff. Management, in its responsive approach to problems, acted swifted and reciprocated and improved the physical and working conditions of staff with the introduction of some fringe benefits. Management further approved an increase in the budget for staff training/development including computer literacy:

- Removal of housing loan ceiling;
- Review of overtime rates;
- Procurement of luxurious staff buses;
- Creation of new incremental rates; and
- Sales of Ipaja Housing Units to staff.

However the council was not happy with management in some areas in which improvements were needed, such as the working environment where some offices are over-crowded with staff, remuneration of staff not inline with the rate of pace of inflation and non-monetisation of housing and transport allowances.

5.3 SUMMARY OF FINDINGS

1. CBN is a Government Bank established by an act of partiament in 1958 charged with the responsibility for issuing legal tender, promote monetary

stability and sound financial system among others.

2. The organisation of the CBN is vertically structured with the Board of Directors chaired by the Governor at the top responsible for the policy and general administration of the affairs and business of the Bank.

3. The Bank maintain some degree of centralised and decentralised organisation structure, and delegated authority at the Head-quarters and Branches/Currency centre levels to achieve maximum productivity from both the employees and the management alike.

4. The Bank maintain a training school at satelite town-Lagos were all cadre of staff are trained and developed.

5. The questionnaires returned from the survey were in no way being influenced by the status of the respondents.

6. The study showed that marital status had no visible influence on the acquisition of qualification by the respondents.

7. All members of staff are being trained and retrained in CBN. And status has nothing to do with respondents response to training/development.

8. It was observed that with all the training/development programmes available to staff of the CBN, they were not being motivated by means of

promotion. This meant that training has nothing to do with promotion in CBN.

9. A conclusion was also reached that training/development does not ensure job security in CBN. One can be hired and fired at anytime provided he/she is found wanting in one way or the other.

10. Training/Development alone do not guarantee/ increase employees productivity.

5.4 SUGGESTION FOR FURTHER STUDIES

The following suggestions are made for further studies:

a. Investigation should be carried out to see why the certificates issued/obtained at the banks training centre are not being used to consider staff for promotion;

b. The criteria for selection of staff for training should be checked. This is as a result of some people being trained/developed and retrained while some are not;

c. The necessity of training in all courses whether relevant or not to their areas of duties. A look at it should reveal the relevance of this.

5.5 CONCLUSION

The study showed that CBN is trying to improve the training/development need of the staff but more efforts should be geared towards training/development of all cadre of staff.

The employees are not satisfied with the banks method of selection for training of its members.

Efforts should be made by the Central Bank of Nigeria to build in within its policy of the establishment such training/development variables that could enhance work satisfaction and improve performance.

The project highlight the twine problems, inter-related but distinct, that confront the public sector vis-a-vis the Nigerian economy as it enters the mid 1990s, Namely, Excessive degree of capacity under-utilisation accentuated by the economic crisis of the 1990s/unstable political and government policies. And the problem of productivity in-efficiency. Optimum growth requires that these two problems (capacity under-utili-sation and inefficiency) be minimised. Policy makers for Nigeria of the mid 1990s and beyond must therefore address themselves to these two critical determinants of economic performance if they are to enhance the pace of Nigeria economic recovery and prospects for long term economic development.

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DEFINITION OF TERMS

In this project efforts is being made to minimise use of terms as much as possible so that it would be relevant to the topic under study. Not withstanding such works like public organisation/Establishment/ Corporation/Parastatal were used synanimously. Where CBN is used, it refers to Central Bank of Nigeria.

On the same note Director and Heads of Department (as HOD), were used interchangeably. Manager as well as administrator stands for the same meaning. Productivity/Performance/efficiency were also meant to be the samething and used interwovenly. Management and employer were also used synanimously.

Since the difference between human resource development and manpower development is not clear the wirter has equally use them interchangeably. All these should be taking into cognizance when going through the project. It is the believe of the writer that the project will be very useful to both academic and management of either public or private organisation. Lastly, Management By Objectives were also abbreviated as MBO. Recognition must also be given to words and abbreviations that could be perceived or not that of the intention of the writer.

APPENDIX

i. Schedule of Questionnaire

ii. X^2 Distribution Table.

APPENDIX I

CENTRAL BANK OF NIGERIA

QUESTIONNAIRE

Dear Sir/Madam,

Training/development has been a critical factor in the determination of workers productivity in an organisation. Currently we are carrying out a survey on workers training/development in this organisation.

We request you, kindly to answer the questions stated in line with the instruction. Only one alternative is allowed.

We shall treat your response in strictest confidence.

PART 1 PERSONAL DETAILS

1. Name (Optional): .....

2. Sex a. Male: .....
   b. Female: .....

3. Marital Status a. Married: .....
   b. Single: .....
   c. Divorced: .....
   d. Widowed: .....

4. Educational qualification (s)

5. Number of employers you have already worked for before joining CBN .....

PART II TRAINING/DEVELOPMENT AT WORK IN THE ORGANISATION

Mark X for the alternative which best describes your

feeling about the variables underlines.

1. TRAINING: My training is

   (a) Very good (b) good (c) poor

2. JOB ENVIRONMENT: The job environment is

   (a) Very good (b) good (c) fair (d) poor

3. STATUS: With my qualification(s) the position I occupy is

   (a) Very good (b) good (c) fair (d) poor

4. JOB SECURITY IN THE ORGANISATION: This is

   (a) Very good (b) good (c) fair (d) poor

5. THE JOB ITSELF: This work is

   (a) Very Satisfying (b) Fairly satisfactirt
   (c) Boring (d) Very Boring.

6. PROMOTION: Opportunity for promotion is

   (a) Very good (b) good (c) fair (d) poor

7. SUPERVISION: Supervision is

   (a) Very good (b) good (c) fair (d) poor

8. WORKERS INTERACTION: This is

   (a) Very good (b) good (c) fair (d) poor

9. WORKING CONDITIONS: This working condition in the Organisation are:

   (a) Very good (b) good (c) fair (d) poor

10. Management approach to training/development problems in the organisation.

    (a) Very good (b) Just Adequate
    (c) Fairly adequate (c) Inadequate

11. What is the nature of training infrastructure in your organisation?

    (a) Very good (b) Just Adequate
    (c) Fairly adequate (c) Inadequate

12. What work do you do for your Department?

.....

13. What is the nature of course or training you attended:

.....

.....

14. What is in your own opinion, were needs that training/development met?

.....

.....

15. No of years spent with CBN: .....

16. Your work designation/Status: .....

.....

17. How many courses have you attended since joining the CBN:

.....

18. What needs were met: .....

19. Do you think the need that was met was the urgent?

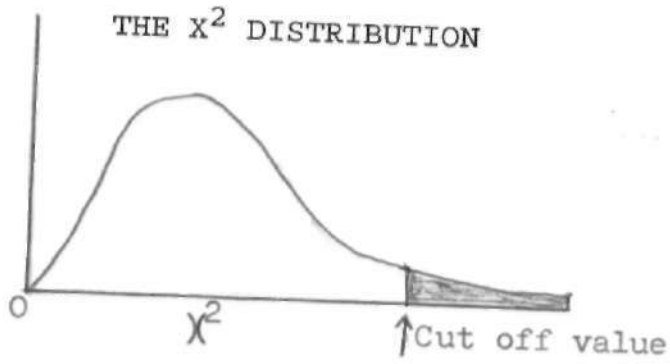
(1) Yes (2) No

20. If answer is yes, what is the effect on your work?

(1) Very Rewarding (2) Fairly rewarding
(3) No effect.

APPENDIX II

THE X^2 DISTRIBUTION



DEGREES OF FREEDOM	LEVEL OF SIGNIFICANCE	
	5%	1%
V = 1	3,841	6,635
2	5,991	9,210
3	7,815	11,345
4	9,488	13,277
5	11,070	15,086
6	12,592	16,812
-7	14,067	18,475
8	15,507	20,090
9	16,919	21,666
10	18,307	23,209
11	19,675	24,725
12	21,026	26,217
13	22,362	27,688
14	23,685	29,141
15	24,996	30,578
16	26,296	31,999
17	27,587	33,409
18	28,869	34,805
19	30,144	36,191
20	31,410	37,566
21	32,671	38,932
22	33,924	40,289
23	35,172	41,638
24	36,415	42,979
25	37,652	44,314